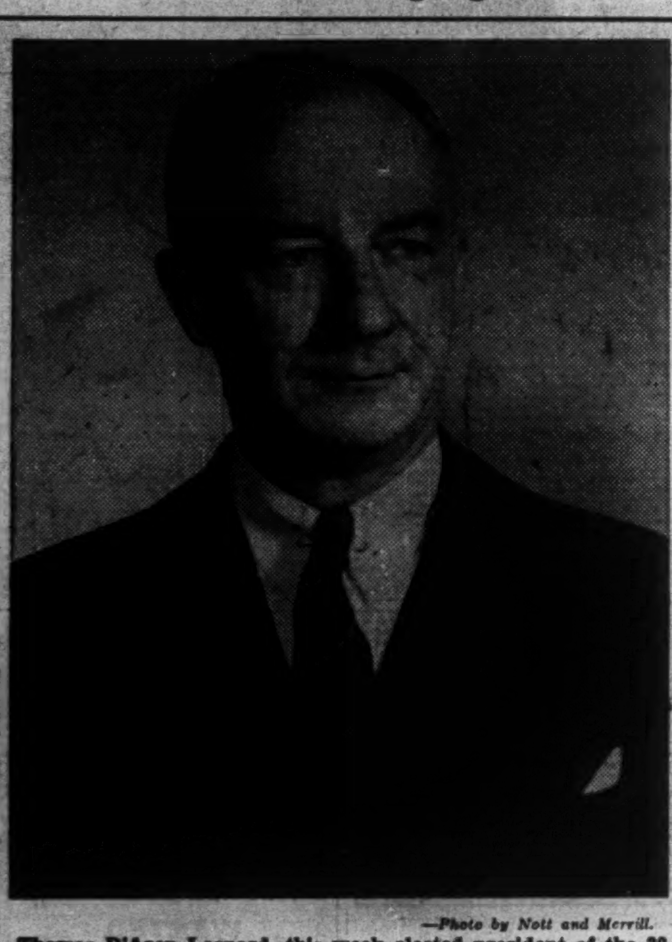
Chief Mortgagee



—Photo by Nott and Merrill.

Thomas D'Arcy Leonard, this week elected president of the 32-year-old Dominion Mortgage and Investments Association, is one of Canada's leading authorities on mortgage and trust law. The association includes in its membership 25 insurance, 16 trust and 12 loan companies, whose combined assets totalling billions of dollars provide a vast pool of money for loaning purposes. Leonard is general manager, and a director of the Canada Permanent Trust Co.

The Financial Post

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THE NATION'S BUSINESS

Housing Policies Leading to Trouble?

Sharp warning of government housing policies is voiced in the annual report of the Dominion Mortgage and Investment Association and also in the presidential report of R. H. Reid. Admitting that present accommodation is inadequate these authorities maintain that the problem is not one that can be solved quickly. They are highly critical of heavy public subsidizing and the indefinite continuance of rental control.

Stated Mr. Reid:

"From an immediate political standpoint, it is very attractive to governments to encourage and facilitate increased home ownership through easement in purchase terms. From past experience, the lending institutions know the almost certain consequences all too well. It appears inevitable that, at some period in the not too distant future, there will be a substantial decline in the real estate market. All too little consideration is being given by government authorities to the repercussions which will follow when slender equities disappear and indebtedness exceeds the market value of the home owners' property.

"There is considerable evidence of maldistribution of housing. Continuation of rental control may well be contributing. It is unprofitable for those who occupy an excess of space in older houses to move to new and smaller units."

Those opinions merit most serious consideration.

At a time when houses are being snapped up before the plaster is dry there is a tendency to believe that the building boom cannot possibly end. It may last longer than Mr. Reid seems to imply, but at today's inflated prices an end is certain.

And still easier mortgage credit at this time, as the Dominion Mortgage Association argues, could accelerate the rise in costs and speed the inevitable collapse.

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This Must Be Stopped

Following the investigation of trading in shares of Eldona Gold Mines, Chairman C. P. McTague of the Ontario Securities Commission reports that no prosecutions are recommended. He further states that:

"Representations have been made to the Department of Justice at Ottawa that market manipulation and more particularly washed sales should constitute a crime if carried out to affect the price of securities artificially and not for bona fide market support whether conspiracy can be proved or not."

"Washed sale" is the term applied to a stock transaction where the buyer and seller is the same person. Such dealing could be used to create a false impression of trading activity and public interest in any stock.

Mr. McTague "is optimistic that suitable amendments" will be made to the Criminal Code during the current session of Parliament. The public will hope so too though it may not be so optimistic. It will recall that following the report on "manipulation" Beaulieu Yellowknife shares in the spring of 1946, the Ontario Securities Commission likewise declared its inability to act, either under the Ontario Securities Act or the Dominion Criminal Code, but no remedial legislation followed.

The public is not particularly concerned whether it is the Ontario or Dominion Government's responsibility to police the stock exchanges, the main thing is to have the job done and at once. In the United States "washed sales" and artificial manipulation are illegal and so they should be here. Proving conspiracy should not be necessary.

How can we expect funds from the United States and elsewhere to be invested in this country as long as fictitious sales can be completed with impunity on Canadian stock exchanges? There is no excuse whatever for letting jurisdictional disputes prevent the cleaning up of a situation which discredits us in the eyes of the world. Without waiting for any revision in the Criminal Code surely the Ontario Securities Commission and the Toronto Stock Exchange can take action to stop washed sales now.

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Mr. St. Laurent Points the Way

Out of the historic statement on Canadian foreign policy by Rt. Hon. Louis St. Laurent, last week, one passage is especially noteworthy. Said Mr. St. Laurent:

"Without sacrificing the universality of the United Nations, it is possible for the free nations of the world to form their own closer association for collective self-defense under Article 51 of the Charter of the United Nations. Such an association could be created within the United Nations by those free states which are willing to accept more specific and onerous obligations than those contained in the Charter, in return for greater national security than the United Nations, can now give its members."

What Mr. St. Laurent is urging on behalf of Canada, is a "Union of the Free World" — something based "on moral as well as material force"; an organization of citizens bound together "not merely by a hatred of communism but by their love of free democracy and their determination to make it work for the promotion of welfare and the preservation of peace."

Whether or not this comes about immediately or in the form which Mr. St. Laurent suggests, it is good to see Canada coming out firmly and courageously for a positive line of action in the present troubled state of world affairs.

Too often in the past this country has compromised or has shrunk entirely from commitments which might entangle it in the tortuous skein of international affairs.

We can no longer do this as we know to our cost and sorrow.

The full recognition of this responsibility by a responsible and outspoken Canadian Minister of External Affairs is a notable and significant event.

Who Starts Strikes? Here's Inside Story

Phony Issues, Intimidation, "Managed" Meetings Lie Behind CIO-UEW Move in Toronto Plant, Former Union Steward Declares

By RONALD WILLIAMS

This is the inside story of two violence-ridden strikes.

The union: the Communist-controlled CIO United Electrical Workers (UEW); the company: Rogers Majestic Radio Corp., Leaside, Ont.

The first strike occurred last February. Pickets fought a pitched battle with Provincial police; 15 ended up in jail.

The second is now in progress. This time nonstrikers are battling the strikers. Men and girls have been punched and kicked trying to go to work. At midweek, 11 strikers had been arrested.

What's the fuss all about? How did the 400-odd workers come to go out on strike originally? Why? Did they know anything about the political background of their union leadership? Have they been led around by the nose? What's happening now?

This week, in a Toronto hotel room, the whole story was unfolded to a press conference by an old-time Rogers employee, Bert Thornley. And Thornley knew what he was talking about; he had been a union steward right up to time of the first strike.

Dictation From Above

Here is his story:

I've worked for the firm since 1928 I'm a final tester on radios. The union came in in 1944 and I joined. Eventually I became a steward. Things were all right for a while. We had a good contract—based on the Rand formula.

Just before it was due to expire, the stewards—including myself—met with the union officials —Ross Russell (organizing director) and Ellis Blair (business agent) to draft new demands. That's when I first began to wonder what was going on. We stewards didn't have much to say. It was all cut and dried—dictated by the higher ups.

At the time they felt that the time was inopportune to ask for wage increases. But we wanted a lot of other things. So to put ourselves in a good bargaining position we decided to ask for a "substantial raise" anyway.

Then, when the company refused—as we knew they would—we would back down on wages if the company would agree to the things we really were after. It was a neat horse-trading trick, if we'd ever got a chance to use it.

The proposals were put to a general meeting and approved. Remember that, it's important. In the meantime, however, and this is equally important—the UEW held its annual convention

Demands Increased

Out of it came a new UEW policy: 40-hour week and a raise of 30c an hour. And that became policy for our local, although we didn't have any say in it and didn't know it at the time. Came time for the first meeting with the company. The negotiating committee went in alone; Russell, Blair and a couple of others.

To our amazement we learned they had switched the demands we had approved for the UEW's 40-hour; 30c program. And without even as much as a by-your-leave from the membership.

Naturally, the company turned the committee down flat. Right away the negotiating committee called a meeting of the stewards to find out whether there was enough enthusiasm for a strike. Hardly anyone thought there was. So Russell and Blair decided to try to stir some up.

The first stunt they pulled was to march to the president's office and demand that the manager reopen negotiations—even

(Continued on page 3, col. 1)

Ottawa Cool ToDrew-Dewey Power Plan

OTTAWA (Staff)—Federal reaction to the proposal to develop the St. Lawrence as an Ontario-New York power project is one of great disappointment that such a plan should be necessary.

The Federal Government has for many years been waiting only for U. S. approval to get the combined power and seaway project under way. There is a disposition here to want a final test of what views the new Congress holds on this matter before writing off finally the hope of congressional approval.

Behind this continued hope for a combined scheme lie very potent dollar arguments.

If the waterway were to be proceeded with as a joint Canada-U. S. undertaking, Canada would stand to receive very considerable payments from the U. S. in lieu of work already done by Canada at Welland and elsewhere. These sums are said to amount to something close to $75 millions for the Federal Government and $25 millions for the Provincial Government.

Lacking this assistance and lacking any federal aid toward a joint waterway, it is roughly estimated here that capital cost to Ontario of a purely power development might well rise to $200 per horsepower against earlier costs under the joint scheme of about $90 per horsepower.

PRICES

Was the postwar inflation peak passed in the U. S.? What has happened to the war-scare price boom which had developed in April? Where was the boost ERP buying was going to put under the price structure?

These were the questions U. S. businessmen were asking this week as they weighed a new slump in the commodity markets. And some observers—in and out of the Administration — were ready to say that the tide of inflation had indeed been halted—at least for the present.

The figures—and some immediate business trends — gave weight to this belief.

At Monday both the AP wholesale index of 35 commodities and the Dow - Jones Commodity Futures index stood below the lows they had hit in the February market slump.

The AP index at Feb. 13 stood at 186.30, at March 23 at 184.40, by April 21, when the war-scare boom, ERP purchasing optimism stood at its height, had risen to 188.53. This Monday it was down to 185.12.

The Dow Jones index on corresponding dates had gone from 147.70 up to 149.62, to 153.10, now was down to 147.33.

What were the factors to be considered in appraising the picture?

First, it had to be realized that the international situation— although presently quiescent—still held the key to the long-range pattern of prices, plus the future of ERP aid (see Kenneth Wilson, page 11).

And these factors had to be weighted considerably with the more obvious and immediate factors on the domestic scene.

These were:

Good crops will mean lower agricultural prices despite present ERP buying. Little industrial

Continued on page 2, col. 3

Record Cut Of Pulpwood Boon to Mills

MONTREAL (Staff) — A record 1947-48 pulpwood cut which may go as high as 10 million cords is in sight for Canada's pulp and paper makers, The Financial Post is informed. At an estimated price of $20 a cord at the mill, this year's cut represents an investment in pulpwood inventory of approximately $200 millions. This means that for the first time since before the war many pulp and paper companies have been able to bring pulpwood inventories back to normal.

Chief reasons for the big 1947-48 cut up from last year's nine million cords, were almost ideal weather conditions and a labor force which reached a peak of 80,000 men in the latter part of November. Altogether it is said that 192,000 men were engaged in pulpwood operations in 1947-48.

Today's pulpwood supply is a tremendous improvement for pulp and paper companies which have been operating on a hand-to-mouth basis for the past several years, it is claimed. Until this year few, if any, companies had so much as a stick of pulpwood in reserve anywhere from stump to mill. Now pulpwood is stacked at strategic points along the route.

Most of this wood will stay in Canada for processing into the estimated seven to eight million tons of pulp products. A slight increase in pulpwood exports to United States during the first two months of 1948 is also reported. According to U. S. Dept. of Commerce, pulpwood imports for the two months totaled 290,000 cords compared with 236,000 a year ago. Total U. S. pulpwood imports last year were 1.8 million cords.

Bendix Plant For Maritimes Follows U.S. Dollar-Saving

First major U. S. branch plant development since the dollar-saving program was announced last November got the green light in Halifax this week.

Bendix Home Appliances, Inc. is going to make its automatic washing machines in Nova Scotia and production is scheduled to run at 30,000 units a year, of retail value, $9 millions.

As well as producing for Canadian consumption, present plans also call for production for main export markets outside U. S.

Main assembly plant will be at Amherst, N.S., operated by a new Nova Scotia firm, Canadian Assemblies Ltd.

In addition parts will be manufactured at other Maritimes, Quebec and Ontario plants.

Trenton Industries Ltd., Trenton, N.S., will turn out steel sections; Enamel & Heating Products Ltd., Sackville, N.B., will provide enamel sections. Die casting will be done at Saint John. Box plants at Bathurst, N.B., and Halifax will turn out shipping crates.

Create 700 Jobs

The Amherst plant will eventually employ around 200 men and women while a total of 500 to 800 new jobs will be created at the other plants.

Production at the Amherst plant, which also will fabricate replacement parts for all Bendix markets, is expected to get under way within two months.

Key Canadians in this development—largest by private enterprise in the Maritimes for more than a decade—were W. S. A. Daley, manager, Maritimes Division, Canadian Manufacturers' Association and J. E. Wry of A. E. Wry Standard Co. Ltd., with Mr. Daley acting in his position as CMA manager charged with assisting Maritimes industrial development.

Negotiations for the new Bendix setup started two months ago and the Nova Scotians were early

(Continued on page 3, col. 4)

Co. Income Tax Payments 78% Higher Than 1946-47

OTTAWA (Staff)—Direct taxes netted the Federal government just over $1.3 billions in the 1947-48 fiscal year which closed a month ago, according to estimates compiled by The Financial Post from various sources. Almost exactly half of this amount came from individual income tax payments.

Distribution of the receipts was approximately as follows:

DIRECT FEDERAL TAX COLLECTIONS
(Millions of Dollars)

	1947 -48	1946 -47	% Change
Ind. Income Tax..	657	692	—5
Corporation Inc...	352	197	+78
E. P. T.	225	449	—50
Spec. Corp. Inc.†	15	42	—64
Succession Duties.	30	23	+30
Withholding Tax*.	36	30	+20
	1,315	1,433	—8

†Collections on undistributed surplus (Part 18).
*On dividends, rents, royalties, etc.

It will be seen that estimates of individual income tax payments came within 5% ($35 millions) of the 1946-47 collections despite a 29% cutback in rates.

The all-time high point in individual income tax collections was in 1943-44 when $809.6 millions was collected.

Total collections from Canadian corporations dropped 14%. The important fact here is the marked swing from EPT collections into the new and higher corporation tax.

As well, there are shown approximate collections from Part 18 of the Act which applies to special taxes on undistured surplus. These netted $42 millions a year ago and about $15 millions in the year just ended.

It will be noted that both succession duties and the withholding tax on dividends, etc., netted increases for 1947-48.

A detailed provincial breakdown of recent tax collections for individuals and corporations also follows. The corporation figures do not include EPT collections or the special income from Part 18.

COMPARATIVE TAX COLLECTIONS BY PROVINCES
(Millions of Dollars)

	1947 -48	1947 -46	1947 -48	1947 -46
P.E.I.	1.2	1.4	.7	.7
N. S.	15.5	19.8	7.7	4.4
N. B.	11.9	13.6	6.4	3.3
Que.	171.8	175.8	107.5	52.6
Ont.	302.4	314.9	150.5	93.5
Man.	33.1	36.6	16.3	11.7
Sask.	22.9	23.4	4.7	2.2
Alta.	30.9	35.1	9.1	5.6
B. C.	66.5	70.6	48.6	22.9
Total	656.9	692.0	351.5	196.8

Newest Import Controls To Affect Many Lines

OTTAWA (Staff) — Effective May 15, the Government will put under import control a new and important list of machines, machinery and production materials in Schedule III.

Chief items to be included are: Textile machinery, business machines and parts, typewriter and dictating machine parts, electric and hand vacuum cleaners and parts, washing machine and clothes wringer parts, sewing machines and parts, leather-making machinery, fire engines and equipment and parts, Diesel and semi-Diesel engines and parts, air cooled combustion engines not more than 1½ hp., radio parts and materials, automatic scales or weighing machines of a kind or class not made in Canada.

Most important feature of the new regulations is that they will put production materials and parts for typewriters, radio sets, vacuum cleaners, washing machines, etc., on a similar basis to that already worked out for the automotive industry.

The base year will be the 12 months ending Oct. 31, 1948.

Allotments of U. S. dollars will be worked out to give the Canadian manufacturer about 70% to 80% of the dollar cost of his parts importations during the base year.

As well, there will be a U. S. dollar incentive quota of roughly 2-for-1 where the finished product is made for export.

Quotas will be retroactive to Jan. 1, 1948. Manufacturers have already been warned of this feature to prevent excessive stock piling in anticipation of restrictions.

Details of quotas and allocations are not yet worked out for all of the items on the May 15 list. In most cases new permit forms are already in the hands of the trade or will be by the May 15 deadline.

How the Formula Works

Typical of the new restrictions are those which have been worked out for manual (as apart from electric) typewriters.

The average imported content of typewriters manufactured in Canada has been worked out to be $27.80. Using this average cost for imported parts, an allotment of U. S. dollars for 1948 has been determined by adding together the following:

1. The number of typewriters manufactured for domestic use and the number of complete units imported in the base period, multiplied by $22.25 (that is: 80% of $27.80); and

2. The number of typewriters produced for export during the base period multiplied by $27.80.

As well, typewriters manufac-

Continued on page 2, col. 1

Can. Locomotive Delivers 12 Engines

Canadian Locomotive Co. Kingston, Ont., has delivered 12 locomotives to date this year of which nine are steam locomotives, and three Diesel-electric, William Casey, president and general manager, states.

No new orders have been received since the annual report was issued but orders on hand are sufficient to assure a full year's capacity of operation in 1948. At Jan. 1, 1948, the company had on hand orders for 90 steam locomotives, 19 Diesel-electric locomotives.

About 780 men are now employed working a 44-hour week. This is as high as at any time during 1947, Mr. Casey states.

Dollar Saving Plan Starting to Pay Off

New Era in Industrial Development Seen as U. S. Companies Divert Export Business to Canada—Several Programs Already Under Way

By KENNETH R. WILSON

OTTAWA (Staff)—Out of the labor pains of dollar restriction a new and significant pattern of worldwide export markets for Canadian factories is emerging.

This trend is hailed here as of far-reaching significance to Canada's industrial economy and something which marks an entirely new era in Canadian industrial development

Within recent weeks at least half a dozen leading U. S. manufacturers have decided definitely to turn to Canada as a base from which to manufacture one or more products for their entire world markets.

First official announcement has come from Bendix Home Appliances, Inc., now opening a $9 million industry in Amherst, Nova Scotia. (see separate story).

Producing for Export

Crux of the Bendix expansion in Canada rests on the fact that three quarters of the Canadian plant's production will be for export, of one particular model of the Bendix range of equipment. And by establishing near the seaboard, it was found, saving in freight rates more than offset the disadvantage of being away from the central Canadian markets.

In view of the fact that many other internationally famous industries are now planning to divert world markets to Canadian plants on established lines, the attraction of the Maritimes or the West Coast as a possible future site for industrial development is very considerable.

Here are expansion plans, as so far known of others:

National Cash Register Co. has decided to concentrate in Canada, production of one stock model for world-wide distribution.

The Remington-Rand organization has decided to manufacture all noiseless typewriters in its Canadian plant and to use Canada as the base for world sales and output even for the U. S. market.

RCA-Victor of Canada, by a special program now under way, will this year increase its share of the company's export business.

Complete Diesel-electric locomotives will be produced in Canada, the Financial Post understands. Montreal Locomotive Works' annual report stated: "A year ago we made plans to meet the Canadian railways growing demand for Diesel." The arrangement, The Post understands, calls for production of the necessary electrical equipment at the Peterborough plant of Canadian General Electric Co., the finished locomotive to be a joint effort on the part of the two companies.

Out of these and similar examples, emerges one important common pattern: the economies and advantages of using Canadian facilities to produce one or more individual items already past the experimental stage, and where initial development costs have already been largely, if not entirely absorbed.

Permanent Decisions

In each case already cited it is believed that the decision to revamp the Canadian plant in this way is a permanent decision and one that will not be affected adversely by eventual removal of dollar restrictions.

It is not denied that it is Canadian dollar restrictions that have brought about the decision; also that the incentive export bonus is proving a substantial attraction.

But it is contended and believed that once this new pattern for using Canadian facilities is established, there will be no turning back.

Even if the Empire preferential market (which brought many U. S. subsidiaries to Canada in the twenties and thirties) had continued, it has been felt here for some time that wartime experience and expansion, combined with increased "know how" and efficiency have opened the way for much greater and economical use of Canadian facilities than merely serving Empire markets.

Inside News

Belgium Boom

Amid the regimentation and state planning of Europe, Belgium's free economy stands out like a beacon. In the comeback trail to recovery, she leads by a wide margin, reports The Post's Editor, Ronald A. McEachern, in a special on-the-spot report from Brussels (Page 11).

How is Business?

What effect will ERP and the expanded U. S. defense program have on business in Canada and the U. S.? How is our business boom doing? Last week The Post's Ottawa editor attended a special meeting in Washington arranged by the U. S. Chamber of Commerce to get expert views on the business outlook (Page 11).

New Peaks in Power

The tremendous latent power in Canada's rivers and streams is the Dominion's highest trump card in her bid for a position of increasing importance on the world's industrial map. Last year central electric stations produced approximately 45 billion kwh, a jump of more than 12.5% from wartime peaks. The Financial Post surveys the power utility picture, coast to coast (pages 21 to 35).

Utility Stock Picture

How do power utility stocks rate as an investment today? Can increased volume of business be translated into higher profits, in the face of steadily increasing costs. particularly wages? The Financial Post's investment editor weighs the pros and cons of this timely question (p. 21).

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We Must Export M-H Tells Why

You've read it and discussed scores of times: one third of the national income comes from world trade.

Massey-Harris Co. Ltd. management has decided to bring the point home where it stands the best chance of sinking in—in the pay packet.

May 28, when each of the company's 4,400 workers picks up his two-weeks' pay envelope he's going to find not one but two to open.

When he opens the first he'll find inside an approximate two thirds of his pay plus another envelope containing the other one third.

The second envelope will be appropriately tabbed with the world trade message.

The Massey-Harris plan is part of the Ontario World Trade Week campaign and other employers are being canvassed to do the same.

Pace of Business

Cost-of-living index moved up to new all-time high of 151.6 at April 1, an increase of .8 over March 1 figure. Clothing showed biggest jump in month from 169.9 to 172.9, with footwear leading a broad list of increases.

Industrial materials prices weekly index, at the wholesale level, moved up five points in the period March 26 to April 23—from 145.0 to 150.0. Raw cotton, raw rubber, rayon yarn and lead were leaders in increases.

Farm products index touched highest point since October 20, rising from 138.5 to 141.2 in month ended April 23. Higher prices were reported for livestock, eggs and potatoes.

Industrials and papers were the only stock groups unable to negotiate gains this week. Pest action was turned in by the base metals and golds which chalked up index gains on the Toronto Stock Exchange of 2.68 and 2.39 respectively. New York came back modestly after a consolidation around the 180 level by the Dow-Jones industrial average.

DBS Investors' price index (100 common stocks) showed a 12-point rise during April. At April 22 index stood at 111.8 as compared with 99.8 for March 18 and 108.8 a year ago.

Labor income rose 15% during 1947. Total of wages, salaries, and supplementary labor income in January was estimated at $534 millions or $68 millions better than in January, 1947.

Employment index for March for all industries stood at 189.0 as compared with 180.4 a year ago; index for manufacturing industries stood at 202.5 as compared with 194.5.

Motor vehicle production in Canada rose to new all-time high in March, amounting to 27,112 units as compared with 16,832 units in February and 22,491 units in March last year. Factory shipments in March this year consisted of 15,717 passenger cars, 11,395 commercial vehicles. Canadians took 13,320 of the passenger cars, 2,397 were exported.

Provinces May Review Liquor Advertising Laws

The Financial Post understands that liquor advertising will likely come under review at a special meeting of Provincial Liquor Commissioners in Winnipeg, May 18.19.

The immediate objective is said to be some semblance of uniformity in liquor advertising in the provinces. At present four, Ontario, Manitoba, Alberta and New Brunswick permit institutional advertising but no product.

Saskatchewan, Novia Scotia and Prince Edward Island ban all liquor advertising. In Quebec and British Columbia there is a measure of product advertising allowed.

The special meeting is being held at the suggestion of Ontario. Some provinces still haven't stated whether they will attend or not.

EATON'S

That Made-for-You LOOK!

The quiet distinction of handsomely-finished materials . . . the individuality attained through superb styling and tailoring . . . these are the characteristics of fine suits . . . the characteristics you'll find in EATON Made-to-Measure Clothes.

EATON'S

Tax Notes

Abitibi Tax Amendment Upheld in Recent Case

By STUART THOM

The judgment of Mr. Justice Angers of the Exchequer Court in the case of Flinn v. The Minister of National Revenue rendered on April 27 provides belated justification (from the government's point of view) for the "Abitibi" amendment to the Income War Tax Act in 1947.

It will be recalled that the bonds of the reorganized Abitibi Co. were partly on account of the principal and partly on account of the arrears of interest on the original bonds. The Tax Division, by a ruling which appeared on the face of the new bonds, declared that the part of the value representing unpaid interest on the original bonds would be treated as income in the hands of the holders at redemption. This had obvious disadvantages and the amendment of 1947 provided that a security or other right received on or after Jan. 1, 1947, in lieu of interest or declared dividends was income in the year in which it was received notwithstanding that there was no actual payment of money.

The 1947 amendment reversed the law as laid down in decided cases in England but there was, at the time, no decision of a Canadian court on the point.

In the Flinn case just now decided, the taxpayer had received from United Service Corp. Ltd. "dividend notes" to the face amount of dividends on the cumulative preferred stock of the company which had been passed in the 4½ years preceding 1936. These "dividend notes" were not payable until 1964. The dividends in respect of which these notes were given were declared in December, 1944, and the notes were dated as of that time.

Mr. Justice Angers held that a promise to pay is not the same as payment and that dividends (under the law as it stood prior to 1947) were not taxable until they were actually paid. He accordingly relieved the taxpayer from paying the tax which had been assessed on the basis that the "dividend notes" were income to the amount of their face value when given to the shareholder in 1944.

The judgment serves to remove any doubts there may have been regarding the state of the law before 1947. A point of interest is that the taxpayer apparently attempted to argue that the settled practice of the Minister had not been "to treat the receipt of evidence of indebtedness as receipt of the indebtedness itself." As the decision ruled against the Minister on the law, there was no occasion to discuss whether the settled practice created any rights on which a taxpayer could rely in a court of law.

A similar argument, however, received consideration in the recent case of The King v. Central Manufacturers' Mutual Insurance Co. In that case, it appeared that the Superintendent of Insurance in the course of determining "net premiums" had allowed the taxpayer to claim a deduction under the heading of "Rebates and Return Premiums" for the years 1932 to 1943. In the year 1944 the taxpayer was refused this deduction and Mr. Justice Cameron held that the Crown was not prevented from recovering the increased tax which thereby became payable because the previously existing practice, now found to be erroneous, had been to allow the deduction.

The Flinn case was argued at Halifax. C. B. Smith, K.C. and G. S. Cowan appeared for the taxpayer and W. C. Dunlop, K.C. and A. A. McGrory for the Minister.

Doing Business With Strauss; Stage Opera For Trade Fair

When 20,000 overseas visitors converge on Toronto at month's end for the Canadian International Trade Fair what will they find in the way of Canadian cultural entertainment?

The Royal Conservatory Opera of Toronto has come up with an answer, and an invitation to Canada's businessmen to show their guests from abroad what can be and is being done to develop musical and dramatic talent in Canada.

The answer: Rosalinda, the English-language version of "Die Fledermaus," the gayest of light operas, Johann Strauss masterpiece.

The invitation: Blocks of seats for each performance are being reserved especially for businessmen and their organizations and the visitors they are entertaining.

"Rosalinda" will be playing at the Royal Alexandra Theatre during the week beginning May 31. The cast, company and orchestra numbering nearly 100 — all members of the Royal Conservatory Opera—bring together many of the finest singing and instrumental artists of Canada, under the direction of internationally-famous figures.

Stage director is Felix Brentano, noted for his productions in New York, London and European centres. Musical director is Nicholas Goldschmidt, conductor in U. S. and European opera houses.

The group has been fathered and inspired by Edward Johnson, Canadian-born head of the Metropolitan Opera. It has staged in past years, "The Bartered Bride," "Hansel and Gretel" and excerpts from many other operas.

The evening will round off the business day for many of our foreign visitors who, while they have opera in every small town "back home" as part of the scenery, may be agreeably surprised to find excellence in this field here.

Advance reservations for "Rosalinda" may be made up to May 24 by contacting J. M. Philp, 67 Yonge St., Toronto, ELgin 5590.

working with Canadians in every walk of life since 1817

"MY BANK"
TO A MILLION CANADIANS
B of M
BANK OF MONTREAL

News of Advertising

Arthur Jones rejoins Cockfield, Brown & Co. Ltd. as chairman of Toronto office's plans board, also assisting in creative activities. Mr. Jones was formerly managing director of Erwin, Wasey of Canada Ltd. at Toronto.

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O'Brien Advertising Ltd. appointed to direct advertising for Red Cedar Shingle Bureau, B. C. Division, which governs standard of shingles in three grades. Of total output in Canada, association members produce 85% of shingles marketed. Initially, campaign will be directed to dealers, contractors, and architects, via full-page insertions in trade journals. Copy stresses durability, economy, insulating value, and structural strength of Centigrade Red Cedar Shingles. In Eastern Canada, it is intended to emphasize double sidewall construction; in Middle West, the advantages of roofing and sidewall construction.

• • •

James Fisher Co. Ltd. appointed to direct advertising for Perma-Stone Ltd., Toronto, manufacturers of structural stone facings. Introductory 1,250-line advertisements now running in selected Ontario newspapers are to be supplemented by further newspaper advertising and by direct mail.

• • •

Canadian Advertising and Sales Federation has slated its annual conference for June 28-29. The place: Toronto's King Edward Hotel. Program highlights: experienced club leaders will discuss function of ad-sales club — panel on how to organize a club's educational activities — six clinics on conduct of club committees — coast-to-coast review of member-club activities — election of new officers — committee reports — two awards for outstanding club achievement.

• • •

James Fisher Co. Ltd.'s office in Montreal moved May 1 from the Confederation Building to 679 Belmont St. Telephone number remains the same, Lancaster 1205.

INVESTMENT OPPORTUNITY

To acquire interest in old established company in Western Ontario presently manufacturing heavy construction machinery and having excellent potentialities in Canada and Abroad. Fifty thousand dollars required to organize on production basis. Preferably engineer or sales executive who would enter company as active member. Full particulars apply

BOX 244
THE FINANCIAL POST, TORONTO.

AGENCY WANTED CALGARY

Partnership having well located, established office in Calgary would like to secure suitable agency from Manufacturer.

Reply Box 241
The Financial Post, Toronto

FOR SALE

Well established Electrical Contracting and Repair business in Western Ontario 25-60 cycle change-over area. 1947 volume $223,000.00. Assets excluding liabilities $45,000.00. Business includes a number of nationally known resale agencies.

In view of projected Hydro plans this constitutes an outstanding opportunity.

BOX 230,
THE FINANCIAL POST, TORONTO.

Automotive Jobbing Business WANTED

Well known British firm manufacturing complete range of garage equipment would like to acquire controlling interest if possible, or failing that minority interest in Canadian jobbing business. First class references to be given on both sides. Write in strict confidence per airmail to:

Eric Arnold, Director, Stowe & Bowden Ltd., Advertising Agents, 3 Parsonage, Manchester 3, England.

EXPERIENCED EXECUTIVE Available

Good organizing ability. Experienced in sales promotion, advertising, production and administration. Accustomed to important responsibilities. Aggressive and industrious.

Replies treated in strict confidence

BOX 243, THE FINANCIAL POST, TORONTO 2, ONT.

COMPTROLLER

Auditors of a company in the pulp and paper industry with head office in Montreal invite confidential applications on behalf of their client for the position of comptroller. Chartered accountant or man accustomed to senior responsibility with experience in corporate and cost accounting and taxation. Age between 30 and 40. Some knowledge of the industry an advantage.

BOX 238, THE FINANCIAL POST, TORONTO

DALHOUSIE UNIVERSITY
HALIFAX, N.S.

Applications from Chartered Accountants are invited for an Assistant or Associate Professorship in Accountancy. Salary according to qualifications and experience, within the scale of $3,000 to $4,000. Duties to commence September 1, 1948. Applications should be addressed to the President, Dalhousie University, Halifax, N.S.

Newest Import Controls To Affect Many Lines

(Continued from page 1)

turers may, if they desire import complete typewriters on the basis of 42% of their imports of complete typewriters in the base period.

Allotments for electric typewriters and all other office machines and parts, included in the items shown in an accompanying list as coming under control May 15, are to be based on the simple formula of 80% of production parts imported in the base period.

In the case of typewriters and other business machines, there will be an incentive quota calculated roughly on the basis that a machine built in Canada for export will earn the manufacturer twice as many U. S. dollars for purchase of imported parts as will the machine built for sale in Canada.

Radio Allotments

In the case of radios, domestic receivers are divided into two classes—those with an average factory selling price above $25 and those below $25. U. S. dollar cost of imported parts in the first group was put at $4.70 and for the second group at $1.54.

Using this average cost for imported parts, the allotments for 1948 can be calculated by adding together:

1. The number of radio receivers manufactured for domestic use and the number of completed units imported in the base period, multiplied by 70% of the average cost of imported parts in each group; and

2. The number of receivers produced for export during the base period, multiplied by 100% of the average cost of imported parts.

The actual figures in each case under (1) above, work out at $1.08 (70% of $1.54) in the case of radios with a factory selling cost of less than $25, and $3.29 (70% of $4.70) for radios selling f.o.b. factory at more than $25.

What is of striking interest in this industry is the exceedingly low U. S. dollar content which is now prevalent throughout the Canadian industry.

The above figures apply only to firms which themselves manufacture finished radio receivers. Allotments for radio parts manufactured are based on 85% of the cost of parts imported in the base period.

This same figure of 85% applies to the manufacturers of commercial radio receivers and transmitters.

PRICES

(Continued from page 1)

buying for ERP is expected and this can hold industrial prices.

And in the consumer goods field buyer resistance was strengthening more effectively all along the line. Combined with increased competition the trend was definitely toward lower prices even though quality in some cases was going by the board.

Meanwhile steel cuts announced last week (The Financial Post, May 1) by U. S. Steel were being followed by other producers. Bethlehem Steel Co. announced similar decreases estimated to amount to $10 millions a year and the large independents at midweek were also expected to follow the leaders in some form or another.

At the same time a number of the larger steel consumers intimated that they had their price picture under consideration.

The auto men, however, felt they couldn't pass the saving on —it would amount to $5 a car roughly—it would go instead to levelling off other costs which had increased and not been passed on.

In Canada, it seemed a similar levelling off might be shaping up.

First decline in the general wholesale index since September 1946 was announced by DBS. In March the index dropped .4 to 146.9 (1926—100) having risen steadily from 109.2 in Sept. 1946 to 147.3 for February 1948.

Chief declines were in wood products (from 182.0 to 180.9), textile products (154.4 to 153.6), vegetable products (131.4 to 130.7).

The cost of living index, however, took another slight rise during March (of .8) due to increases in food and clothing to reach 151.6 at April 1.

On the food front (as reported by Canadian Grocer, Maclean-Hunter):

Eggs are expected to rise in August to a figure approaching last year's 80c a dozen as farmers liquidate poultry for high prices in U. S.

Canned soups are being offered at bargain prices as jobbers, expecting sales tax reductions, unload heavy stocks.

Cocoa beans showed marked advance last month causing advance in cocoa powder of up to 13c a lb.

Canned milk advanced again, following increase in freight rates and cost of raw milk.

Western grocers are finding costs boosted on wide range of products as a result of freight rate increases. Canned vegetables, fruits, jams, marmalades are all up approximately 20%.

In fruits and vegetables several declines were recorded last week on the Toronto wholesale market as supplies from various sources became more plentiful.

Rhubarb down from $1.50-$1.75 to $1.

California oranges down in top grades from a top of $7.50 a case to $6.50.

Chilean onions down from $6-$6.50 to $5.50-$6.

Cabbage down from $3.86-$3.93 per 50-lb. bag to $3-$3.25.

Potatoes remainded unchanged.

Spinach appeared on the market at $3.50-$4.

B. C. cauliflower, new on the market, sold at $7.75-$8 per 50-lb. bag.

The Parliamentary Prices Committee still on meat at midweek heard the retailers' side of the story of rising meat prices. Members had already been told packers' profits were modest, rising costs were squeezing ranchers.

Now, retailers told how they'd shaved markups in view of consumer resistance.

Examples: 25% on pork loins taken by Loblaws as price control ended had been down to 10%, was now 15%—"and you can't operate on a scale like that'" added Vincent Davis, Loblaws' meat manager.

Said an independent: "If anyone is subsidizing the cost of living today it's the retailer."

Meanwhile everything was still pointing to new increases to come in meats.

Steers had fetched the highest prices on record in the Calgary stockyards in the last week in April and shortages were certain this summer. One of the worst winters in Alberta's history had taken a heavy toll of spring livestock. June figures, cattlemen estimated would show a 10% reduction on stocks.

And feed charges were way up. Cattlemen who normally did their own feeding and now were buying, found hay up to $60 a ton—a price double normal.

Some, who also had transportation difficulties in the floods took the obvious way out—they liquidated their stocks. Sheep farmers were no better off.

Here and there:

Canned goods: Study of 21 items by American Can Co. shows canned food prices have not increased, since 1939, as much as most foodstuffs—53.5% for the 21 items as compared with jump of 86.1% in all foods covered by the DBS cost-of-living index.

Hardware prices, reported Hardware and Metal (Maclean-Hunter), continued upward with dealers revising listings on a wide variety of items.

Galvanized sheets are increased to retailers as a result of an increase by some mills.

United States Fidelity & Guaranty Co. reports net premiums written in 1947 at $72.1 millions, an increase of over $16 millions. Premiums earned were also higher as likewise were losses and expenses. Income from operations was more than doubled at $4.8 millions. Total assets were $126 millions ($111.7 millions in 1946). The figures are for the entire business of the company.

In Canada, premiums written by the U. S. F. & G. were higher at $1.9 millions, admitted assets also being up at $3.5 millions. Premiums written in Canada by its affiliate, the Fidelity Insurance Co. of Canada increased to $747,522 with admitted assets also higher at over $1.3 millions.

Entire Business	1947 $	1946 $
Net prem. written	73,121,556	56,025,556
Prems. earned	64,638,673	50,167,946
Losses & exps.	59,200,779	49,818,082
Inc. from oper.	4,897,340	2,408,296
P'holders surplus	35,166,861	33,486,441
Total assets	126,066,426	111,759,835
Canadian Business — U. S. F. & G.		
Net prems. written	1,973,104	1,634,179
Admitted assets	3,557,169	3,136,989
Fidelity of Canada		
Net prems. written	747,522	604,913
Admitted assets	1,381,804	996,596

ANNOUNCING

Important Appointments in Canadian Industry, Finance, Business and Government

Automobile Dealer Associations of Ontario—D. A. Switzer (Toronto), general manager.

Bowles Lunch, Ltd.—H. R. Hinman, chairman of board; Geo. W. Scott, president and managing director.

Blue Top Brewing Co. — Arthur Durocher, Windsor and Amherstburg district representative.

Bendix Home Appliances, Canada Ltd.—Judson S. Sayre (South Bend, Ind.), president.

Canadian Dredge & Dock Co.—Frank M. Ross, Board chairman; D. Lorne Pratt, president; J. McL. Stephen, A. M. German, vice-presidents; S. M. Telfer, a director.

Chartered Institute of Secretaries, Canadian (Toronto) Branch—C. D. Landell, chairman; C. O. Biggs, vice-chairman; J. Scully, treasurer; C. B. Bell, secretary.

Combustion Engineering Corp.—Hon. G. B. Foster, a director.

Canadian Fairbanks-Morse Co.—Geo. R. Wyer, a director; E. E. Jackson, treasurer; Fred M. Fairman, secretary.

Canadian Manufacturers' Association—J. L. Miller (Niagara Falls) chairman Ontario division; Eustace Dawson (Winnipeg) chairman, Manitoba division.

Canadian Bronze Co. (Montreal)—Donald M. Loucks, vice-president, western operations (Winnipeg); H. D. Williams, district manager, St. Thomas Bronze Co.; J. P. Oswald, district manager, Winnipeg.

Consolidated Mining & Smelting Co. of Canada—G. A. Walker, W. A. Mather, H. G. Welsford, directors.

Canadian General Electric Co.—J. D. Shortall, Toronto district wire and cable engineer.

Canadian Manufacturers Association—J. L. Miller (Niagara Falls), Ontario division chairman.

Canadian National Railways—J. E. Gauthier, general superintendent Quebec district; William Taylor general freight agent at London, Eng.

Dominion Government—Harry A. Scott, consul-general, San Francisco; William G. Stark, first embassy secretary, Rio de Janeiro, L. H. Randall (Saint John), air attache, Canadian Embassy, Moscow.

English Gramophone Shop (Vancouver)—Vic Ross, a director.

Foundation Co. of Canada (Montreal)—V. G. Younghusband, a director.

Federation of Automobile Dealer Associations of Canada—D. A. Switzer, assistant general manager.

Fittings Ltd.—Douglas M. Storie, vice-president and plant manager.

Hamilton Bridge Co.—T. H. Blodgett, a director.

Imperial Bank of Canada—R. S. Waldie, board chairman; W. G. More, president; I. K. Johnston, general manager.

International Alumni Association—Graydon D. Saunders (Toronto), president.

International Silver Co. of Canada—Walter H. Perkins, vice-president and managing director; C. Powell Morgan, comptroller and a director.

John Labatt Ltd.—Gordon C. Hammill, Toronto manager.

Langley's Ltd.—D. R. Morton, vice-president; G. H. Hand, secretary-treasurer and a director; J. R. Mooney, E. R. Jarmain, directors.

Meredith, Simmons & Co. (Toronto & Montreal) — Harold Oldham, sales promotion manager.

National Office Management Association—F. E. Armstrong, president, Toronto chapter.

New Brunswick Civil Service Commission—Charles A. Murray (Frederiction), chairman.

Ontario Society of Photographers—John Steele, president; Herbert Nott, Andrew Skilling, Ernest Bourne, Gerald Haley, executive members.

Ontario Hydro-Electric Power Commission—E. B. Easson, secretary.

Old Comrades Brewery Ltd.—William Schneider, assistant brewmaster.

Ontario Public Health Association—Dr. Gordon P. Jackson (Toronto), president; Dr. R. A. Kelly (Peterborough), Dr. E. Ross Harris (Kirkland Lake), vice-presidents; Dr. L. A. Pequegnat (Toronto), secretary-treasurer.

Penmans Ltd.—B. K. Gunn, a director.

Rapid Grip & Batten Ltd.—R. D. Allworth, general superintendent Toronto plant; James Eastes, Toronto engraving superintendent.

Radio Valve Co. of Canada—W. E. Davidson, president.

Reader's Digest Association (Canada) — Andrew J. Conduit (Toronto), Carl M. Dettman (Montreal), advertising representatives.

Royal Arch Masons of Canada—Frederick W. Dean (Hamilton), Clarence McL. Pitts (Ottawa), Alexander G. N. Bradshaw (Toronto), Grand Chapter councillors.

Southam Co.—Arthur W. Moscarella, publisher, The Winnipeg Tribune.

Standard Life Assurance Co.—Gordon R. Ball, a director.

Toronto Property Owners' Association—Marshall S. Soules, John B Laidlaw, directors.

Toronto Stock Exchange—Strachan K. Bongard, a member.

University of Toronto—Forsey P. Page (Toronto) a Senate member.

FOUNDED 1829

Upper Canada College
Toronto, Canada

A RESIDENTIAL AND DAY SCHOOL FOR BOYS, AGED 7 - 18

Junior and Senior Matriculation: Games for all boys: Fireproof Residences: Well equipped classrooms: Modern Gymnasium: Swimming Pool. Examinations for scholarships and bursaries are written in April each year. Autumn Term opens Wednesday, September 15th. For Prospectus please apply to

L. M. McKenzie, B.A., *Principal.*

482

Francis Woodbury
MANUFACTURER'S REPRESENTATIVE
ESTB. 1916
MINING AND BUILDING SUPPLIES
3 PINE STREET NORTH
Telephone 30 TIMMINS, ONT.

Classified ADVERTISEMENTS

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad. 12 words. Add six words when box number is required. When replies are to be mailed to advertiser, add 10c. Classified ads. payable in advance. Contract rates on application.

POSITIONS WANTED

COMPTROLLER

ACCOUNTANT presently employed as comptroller seeks appointment in similar capacity or as internal auditor or budget controller. Has had exceptional experience in industry in both general and cost accounting work. Accustomed to handling sizeable personnel and acting in administrative capacity. Reply to Box No. 239, The Financial Post, Toronto 2.

SECURITY ANALYST

FULLY EXPERIENCED, mature, discerning judge of investment values, speculative potentials, market trends, seeks change affording opportunity. Box 237, The Financial Post, Toronto.

AGENCIES WANTED

MID WEST Wholesaler of Food Products wishes to secure distributing on additional lines. Aggressive organization. Best of references. Box No. 210, The Financial Post, Toronto 2.

DANISH ENGINEER

VISITING THE TRADE FAIR 1-10 June would like commissions for Denmark. N. Buus, Norregade 22, Copenhagen K., Denmark.

POSITIONS AVAILABLE

FIRM OF CHARTERED ACCOUNTANTS in Toronto has opening for recent graduate. Prospects for advancement good. Applicants are requested to state age, qualifications, experience and salary required. Applications will be treated in confidence. Box 245, The Financial Post, Toronto.

REAL ESTATE

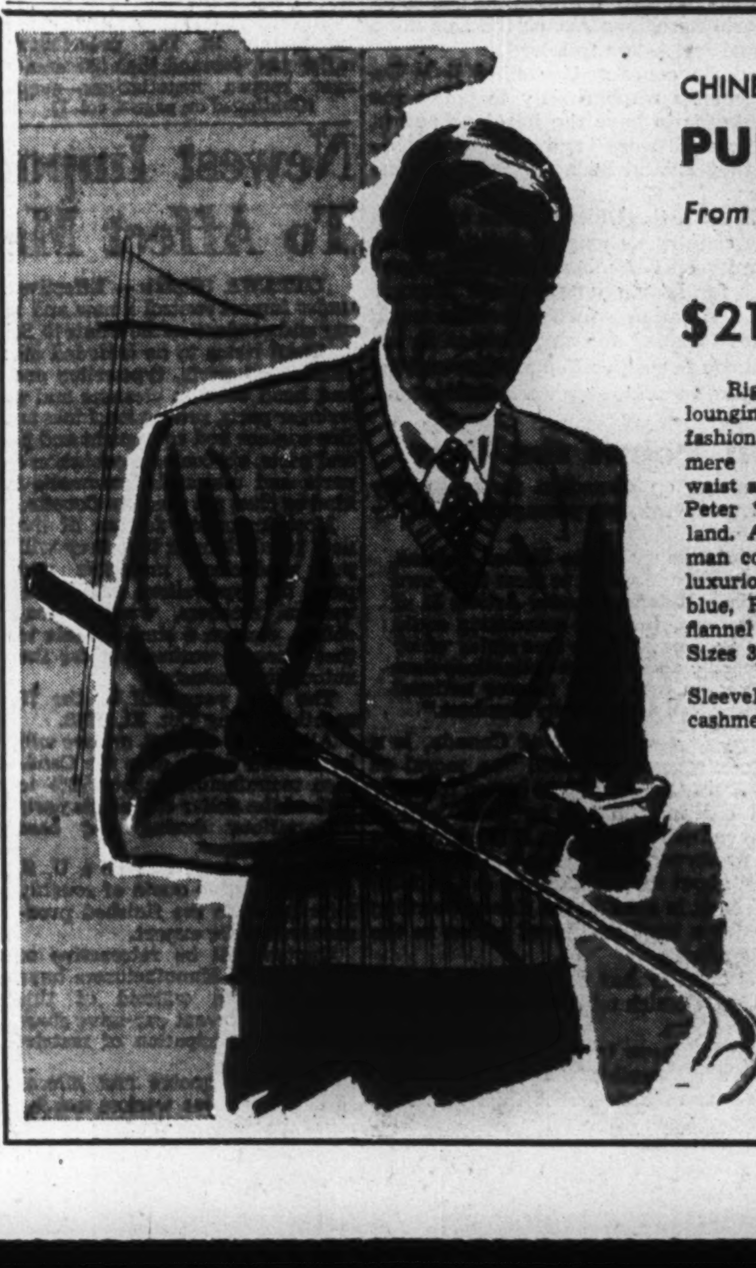
OFFERED FOR IMMEDIATE SALE

WHAT IS BELIEVED TO BE the largest and finest summer property in The Lake Of The Woods. Ideal for: Luxury Summer Hotel—Sportsmen's Club—Personal Summer Home. Ideal. Located—Seven miles from Kenora, Ontario, in the finest shooting and Muskie, Trout, Wall-eye, G. N. Pike, fishing area of the Famous Lake of the Woods. Magnificient Property—Main Lodge of 17 rooms beautifully laid out in three wings (centre wing rockwool insulated); Main Hall 34 by 34 ft. (with massive stone fireplaces, trussed beamceiling, oak floors); 130 ft. of glazed verandahs; 4 complete bathrooms (2 with recessed tubs); Hot and Cold water plumbing in bedrooms; all furnishings brand new including India rugs, California Knoll furniture, curved chesterfields, bleached piano and radio combination, fluorescent lighting, maple bedroom suites, 2 ranges, vacuum cleaner, electrical washer, etc. Five Other Buildings—including Power House; Workshop and Laundry; 25 ton Ice House; huge wooden tennis court; Guest House with four bedrooms, complete bathroom and sundeck. Eleven Acre Island—beautifully treed with pines, birches, etc.; two fine sandbeaches. Equipment—New fully automatic 110 volt AC & DC lighting system; new searchlights; automatic water system; Norge Oil Heaters; etc. Telephones etc. Boats include canoe, rowboat, 2 new outboards and engines, two fast inboard runabouts and either one 41-ft. cabin cruiser or 38-ft. Express Cruiser utility boat. Price—$60,000—which is only a fraction of the replacement cost. Write or wire for more detailed prospectus, C. H. Enderton & Co. Ltd., 222 Portage Avenue, Winnipeg, Canada.

POSITION WANTED

Qualified engineer (Scot) aged 40, desires to enter Canada, and wishes suitable progressive position. Sound mechanical engineering background, extensive experience construction, and maintenance of chemical and rayon plants, technical education to university standard, A.M.I. Mech. E.

BOX NO. 240,
THE FINANCIAL POST,
481 University Ave., Toronto 2



CHINESE CASHMERE
PULLOVERS
From Peter Scott . . .
Hawick, Scotland!

$21

Right for sports, right for lounging! Hand-framed, full-fashioned pure Chinese cashmere pullover with ribbed waist and cuffs . . . crafted by Peter Scott of Hawick, Scotland. As fine a pullover as any man could hope for . . . soft, luxurious, dressy! Horizon blue, Riff red, navy, natural, flannel grey or peat brown. Sizes 36 to 44. Each $21

Sleeveless Slipovers of Chinese cashmere by Peter Scott. Each 13.50

Simpson's TORONTO
The Store for Men

Here's Inside Story On Who Starts Strikes

(Continued from page 1)

though we all knew he wasn't even in the city. This was Russell and Blair's idea, don't forget. It created a bit of talk.

Next day they pulled another slick stunt. Russell and Blair—neither work there—and two other members of the negotiating committee who are employees, met in front of the time clock in the plant.

Then it was the steward's job—me too—to lead as many employees as we could away from their jobs and down to the time clock. The idea was to stage a demonstration, demanding that the negotiating committee do something—get some action

The idea was to create the impression that it was a spontaneous outburst of resentment. Actually, the whole thing was part of a calculated plot to stampede the employees into a strike, they didn't want. The whole thing was phony from the word go.

Plan Cut and Dried

By this time things were warming up. Russell and Blair decided the time was ripe to try and pull the strike vote. They called a stewards' meeting. I was there. The plan called for the chief steward to hold a meeting in the plant cafeteria next morning. Our job was to steer as many employees as we could into the cafeteria as they came in to work.

The whole thing was cut and dried. The chief steward was to keep talking as long as he could. Then another would take over. Then, if they thought they had the crowd worked up sufficiently by 9.30. they would take a strike vote.

And to make the whole thing look like a spontaneous affair, Russell and Blair were to stay outside in their car. Then no one would be able to accuse them of stage-managing it.

The stewards' job was to mingle with the crowd, to urge them on with hooting and catcalls. But we were ordered not once to mention the word strike. That had to come from a rank and filer. Some more of their kind of "spontaneous action."

That was enough for me. I decided then and there that I didn't want any more of that sort of unionism. I didn't go to the meeting that morning. But it went off as planned.

Just before 9.30 a.m. they held the vote. They made ballots by tearing up the leaflets which had been used to advertise the meeting. The employees were told to put down Yes or No.

Later, the UEW announced that a majority favored strike; they didn't say by how many. Next morning we were on strike, me too. That was the first strike. It lasted a month.

Tactics Denounced

I sat down and wrote Blair a letter of resignation denouncing the whole set-up. I said I was disgusted with the way they were running things and that I didn't want anything more to do with them, and that they were doing the workers more harm than good.

Next day Blair put out a bulletin blasting me to high heaven. Since then I've been called a stool pigeon, a stooge of the bosses and all kinds of things—just because I refused to go along with that kind of business.

Why was the strike called in the first place? I didn't know at the time but I'm beginning to catch on. I didn't even have the faintest idea there were any politics involved until a few weeks ago. And I'm certain no one else did either. Now they are beginning to find they've been "had" and are quitting right and left.

None of it made sense at the time. We found out that the company had offered the negotiating committee a contract. But did the membership even get a look at it, let alone a chance to vote on it? Not on your life.

Whenever a member asked if an offer had been made, he got a stock answer: "At the time of the strike, no." Technically, that was right. But it wasn't the whole truth, by a long shot.

And if someone persisted they were openly intimidated. They were threatened with loss of their jobs I've heard many of them warned to keep quiet because "if the company doesn't fire you, the union will."

Employees Approach AFL

They tried to sell the membership that the cause of the strike was that the company had refused to extend the existing contract. Maybe the company did refuse, I don't know.

But I do know the day before the strike, a bulletin was posted up announcing that the terms of the old contract would be observed until a settlement could be reached. That was good enough for me and I believe most of us, if we'd been given half a chance to decide for ourselves.

Shortly after, a group of us decided to try and do something. The strike was still on. I went down to see Russell Harvey of the AFL to see if the AFL would come in. Harvey said not while a strike was on. Then I contacted the Canadian Federation of Labor. They agreed to come in.

Then a truce was called. The dispute went to Conciliation and we went back to work. The strike had lasted a month. That was about six weeks ago. In the meantime, some other people who were fed up with the UE went down to see the AFL again This time, with the strike over, the AFL agreed to come in. Right away I dropped out of the Canadian Federation of Labor and joined the AFL.

Only 90 On Strike

This brings us up to last week. By this time the AFL—the International Brotherhood of Electrical Workers (IBEW) had made substantial gains. Out of 90-odd people in the tube plant, the IBEW has 83. Their application for certification is now before the Ontario Labor Board. In the other section of the plant, we're making gains every day. Right now I don't think there are more than 80 or 90 of the 400-odd employees on strike.

In view of this uncertainty—which union actually has the majority—the company refused to sign a contract with the UE on the basis on the recommendations of the Conciliation Board, until the whole matter was clarified. That seems fair enough to me. But not to the UE. They set a deadline: 8 p.m. Sunday. Unless the company signed by then, the strike was on again. It began Monday with more violence

Every day more and more employees are seeing through the UE deception. Why, they were ready to sign last week for less than we were originally offered four months ago. The first offer would have meant 12c an hour more to me. The Conciliation Board recommendation was a straight eight cents across the board. And the UE was ready to take it. Is that organizing in the interests of the workers? where does that put them with their 40-hour week and 30c-an-hour policy which started the trouble in the first place?

The whole thing was phony from the word strike: the alleged reasons for it; the deception and underhand tactics to stir up discontent; the brazen intimidation and the dictation from the top.

I'm still a union man, but not that kind of unionism.

DOUGLAS M. STORIE

appointed vice-president and plant manager of Fittings Ltd., Oshawa, Ont.

H. Scott Named Consul-Gen'l U.S. West Area

OTTAWA (Staff)—Naming of Harry Scott as Canadian Consul-General in San Francisco and appointment of Jack English as Commercial Counsellor in Washington, head a list of important foreign service changes announced here last week.

Other changes include:

Stanley V. Allen, formerly Commercial Secretary at Capetown to be Commercial Counsellor at Johannesburg to succeed Mr. English.

Stuart G. Tregaskes to be acting Commercial Secretary in Cape Town.

As well, William G. Stark, formerly Commercial Secretary at the Canadian Embassy in Lima, Peru has been named First Secretary of the Canadian Embassy in Rio de Janeiro, Brazil.

One interesting feature of these appointments is the evidence of flexibility as between the Department of External Affairs and the Department of Trade and Commerce.

Both the Scott and the Stark appointments mean that top-ranking officials in the Trade Commissioner service are now on the payroll of the Department of External Affairs. This is important in that it demonstrates that an upwards shift into the normally higher-paid diplomatic jobs is recognized as properly attainable.

Harry Scott who moves from Washington to the new post at San Francisco, has been in the Canadian Trade Commissioner service since 1924. He has held the important Washington post since 1941. Earlier he served in Liverpool, London, Buenos Aires and Shanghai. He will take up his new post on July 2. The field to be covered from San Francisco includes the states of Washington, Oregon, California, Idaho, Nevada, Arizona, Montana, Wyoming, Colorado, New Mexico and Utah.

Jack English, who takes up his new Washington post this week, has been at Johannesburg since 1946. Previously he served at New York, Jamaica, Dublin and London. For three years during the war he served as Director of the Export Planning Division of the Department in Ottawa. He joined the service in 1926.

CANDEGO MINES sold concentrates containing 38,024 lb. of lead, 1,938 oz. of silver and 21,992 lb. of zinc in February. Production of concentrates in March containing 78,008 lb. of lead, 3,682 oz. of silver and 51,926 lb. of zinc was sold and warehoused.

Look For It Here

May 8, 1948

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Rent Insurance New in Housing

Ottawa Hopes Incentive Will Spark Apartment Building Enterprise

OTTAWA (Staff) — A novel rental income insurance scheme to stimulate building for tenants across Canada (The Financial Post, May 1) is the main amendment prospose̲d for federal housing legislation. Other National Housing Act amendments are concerned chiefly with (a) giving major lending companies power to lend on mortgage up to 85% of construction cost of apartment blocks and other rental housing, and (b) winding up Wartime Housing as a Crown company and vesting its powers in Central Mortgage & Housing Corp.

Purpose of the new rental insurance scheme is to attract private enterprise into further construction of rental houses on an economic basis. The plan makes not attempt to resolve or expand housing construction for those who can't afford an "economic" rent.

You Risk Only 15%

The scheme is actually a "co-insurance" plan. That is, it provides federal support up to 85% of what is considered a sound economic rental. The remaining 15% risk is borne by the owner.

The plan calls for a "controlled" rental for a period of three years after the agreement is made On completion of the house or apartment, agreement is reached between the owner and Central Mortgage & Housing Corp. as to a proper rental.

Supposing it is $70 a month, the owner then agrees to charge that rental for a period of at least three years. In return for that agreement, the owner can purchase rental insurance up to $59.50 (85% of the rental) at nominal cost. At the end of the three-year period the owner is free to charge whatever rental he wishes.Obviously if his subsequent rental is higher than $70 he gets correspondingly farther away from the insurance "floor." There is therefore less incentive for the builder or owner to lean on the insurance "floor."

Basic idea is to move an important degree of risk back from lending institutions to the builder or owner.

Bendix Plant For Maritimes

(Continued from page 1)

bidders for the new industry. Telling arguments they put up were: availability of factory space, strategically located at a railway centre within easy reach of a seaport; ready labor supply.

The assembly plant, for instance, is being set up in part of the J. E. Wry shoe plant at Amherst. The other plants involved are all working at below peak production levels and can easily accommodate the new production.

The town of Amherst is the centre of a Maritimes railway network on the main line to Ontario and Quebec centres, is within easy reach of the four other secondary Maritimes production plants involved in the deal.

And, of course, there is no shortage of labor in the Maritimes which in recent months has seen an inevitable trek of its workers out to the central provinces in search of work following the postwar lag in Maritimes production.

Clinching the argument was the fact that since an estimated three quarters of the plant's output would be destined for export, the heavier freight costs for supplying the central Canadian markets involved in setting up in the Maritimes would be more than offset by reduced freight costs to seaboard.

Train Key Workers

Only outside workers at the Amherst plant will be key men from the Indiana plant of the American Bendix company to supervise and inspect production; otherwise all labor will be recruited locally.

Presently eight representatives from Canadian Assemblies Ltd., are taking training in the Indiana plant under the direction of Harry L. Spencer, Bendix vice-president in charge of manufacturing, in preparation for taking up key positions in the Maritimes plant.

They in turn will bring back movies for use in training their subordinates.

At first component parts for the Canadian-made washers will be shipped in from U. S. under an arrangement approved by Ottawa. These shipments will taper off as subassembly plants are geared to produce and within six months, according to Judson Sayre, Bendix president, the washers will have 70% Canadian content.

Here's the company setup.

The American company has organized a Canadian subsidiary with head offices in Toronto to be known as Bendix Home Appliances (Canada) Ltd. This company will be responsible for distribution, promotion, sales, etc.

Bendix (Canada) has contracted with Canadian Assemblies Ltd. to do the final assembly work. This company, with head office at Amherst, has applied for a charter under Nova Scotia Companies Act. Directors and capitalization are not yet known.

It's Your Money

BY BRUCE MACKINNON

Maclean-Hunter Editorial Research

In the latter days of April, the Department of Labor did two things which will affect your taxes.

It reduced the subsidy element in government annuities. This step increased the amount paid to the Government for typical annuities approximately 16%.

It increased the unemployment insurance benefits. After allowing for higher employee contributions, the net increase is some 8½% for workers with dependents.

According to the Minister, the annuities measure cuts out a subsidy of some $400,000 annually.

According to estimates, the taxpayer is going to contribute $4.5 millions more to the unemployment fund. This is not all, since industry contributes twice as much to the fund as does the government, presumably an extra $9 millions this year, a sum that must be paid for out of the prices of the things the taxpayer buys. Taxpayers as a whole will thus have to kick in some $13.5 millions extra to the workless fund.

The extra cost of the unemployment spending is thus about 34 times as great as the saving effected through cutting the bonus on thrift.

West. Grocers Results Down

Results for Western Grocers Ltd. as a whole for the first quarter of 1948 do not compare favorably with the corresponding period in 1947, President W. P. Riley told shareholders at the annual meeting last week: "This is principally the case in the fresh fruit and vegetable departments for the government program of austerity, of self denial, falls heavily on that section of our business."

Nor is the second quarter likely to show up much better, Mr. Riley added. "The demand is there, the goods are available south of the border, but our trading is definitely restricted. In the last half of the year when home grown produce comes to market, the unfavorable comparison should diminish."

The grocery division, much the larger of the two departments, has held up quite well and having regard to adverse weather conditions, has been normal for the season, he said.

Much of 1947 increase in sales was occasioned by higher commodity prices, Mr. Riley said, referring to 1947 volume of business, at a new high point in dollars.

Referring to the subsidiaries, Mr. Riley said that in general pattern the trading of these companies was similar, larger volume, greater expense. The subsidiaries, H. H. Cooper Ltd., Dominion Fruit Ltd., Gateway Grocers Ltd., and W. H. Malkin Co. also made provision for future deflation in inventory values. After this provision and taxation reserves, one subsidiary showed a small loss for the year which reduced its surplus, and two others paid dividends in excess of their 1947 profits after taxes. However, in the aggregate, the net profits of these subsidiaries were greater than the dividends received by the parent company from them in 1947, Mr. Riley stated.

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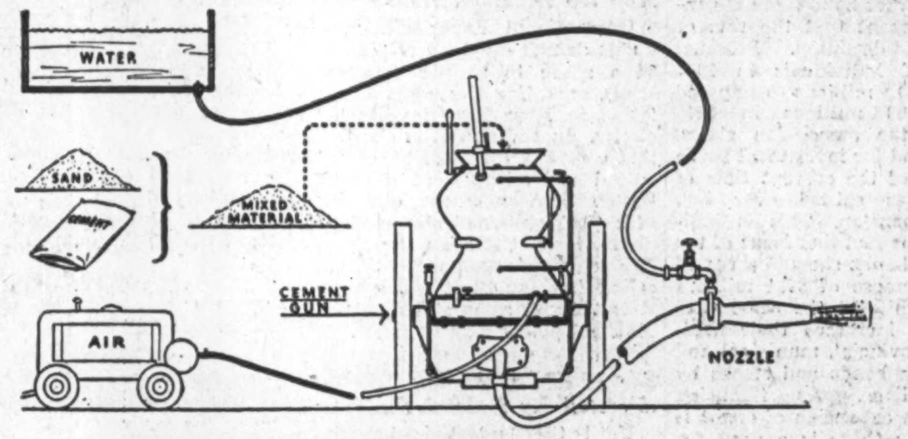

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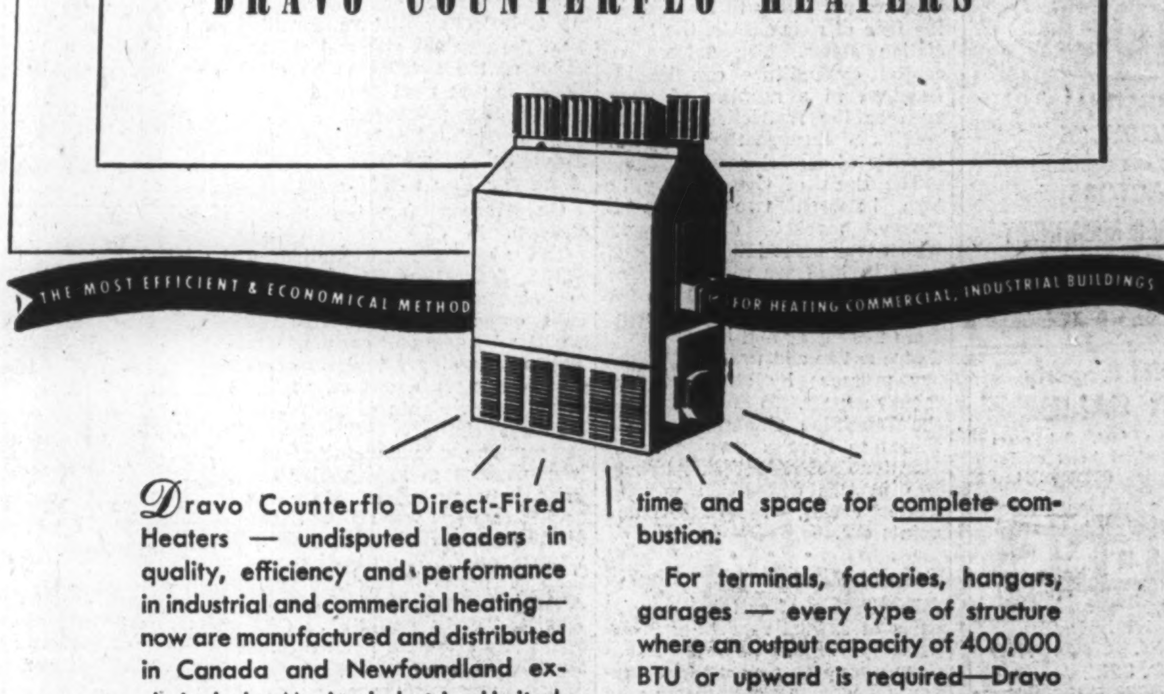

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Tenders for Debentures

Sealed Tenders marked "Tenders For Debentures" addressed to Secretary-Treasurer of the Board of Trustees of the Pointe au Baril Consolidated School Board S.S. No. 1 & 2,—Township of Harrison at Pointe au Baril, Ontario, will be received at office of Secretary-Treasurer at Pointe au Baril, Ontario, up to 12 o'clock noon, on Tuesday, the 11th day of May, 1948, for the purchase of Debentures of said School Sections, 1 & 2—Township of Harrison in Parry Sound District in the aggregate principal amount of $30,000.

The said Debentures will bear interest at the rate of 4% per annum and will be retired over a period of 20 years. The annual Debenture payment which includes principal and interest will be $2,207.45, payable at Bank of Nova Scotia, Parry Sound, Ontario, in Canadian funds. The said Debentures will be issued in denominations of $500.00 each or multiple thereof.

The proposed issue is for capital expenditures to erect a new two-roomed school under the jurisdiction of the Board.

The Board reserves the right to reject any or all bids—the highest or any bid not necessarily accepted.

Dated at Pointe au Baril this 10th day of April, 1948.

The Board of Trustees of Pointe au Baril Consolidated School, S.S. No. 1 & 2—Harrison Township, Pointe au Baril, Ontario.

J. McAULIFFE,
Secretary-Treasurer.

GROUP SECURITIES, INC.
48th CONSECUTIVE DIVIDEND

The following 2nd quarter dividends have been declared payable May 29, 1948 to shareholders of record May 13, 1948.

Class	†Regular	*Extra	Total
Agricultural	.08	.01	.09
Automobile	.08	—	.08
Aviation	.03	—	.03
Building	.09	—	.09
Chemical	.07	—	.07
Elec. Equip.	.13	—	.13
Food	.09	—	.09
Fully Admin.	.08	.02	.10
General Bond	.09	.02	.11
Indust'l Mach.	.10	—	.10
Institut'l Bond	.09	—	.09
Investing Co.	.10	—	.10
Low Priced	.07	.03	.10
Merchandising	.08	.02	.10
Mining	.07	—	.07
Petroleum	.09	.05	.14
Railroad Bond	.03	—	.03
Railroad Equip.	.06	—	.06
Railroad Stock	.06	—	.06
Steel	.07	—	.07
Tobacco	.07	—	.07
Utilities	.03	—	.03

†From net investment income
*From net profits

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INVESTMENTS THIS WEEK

Future Interest Rate Trend Depends on Many Factors

What is likely to be the level of interest rates in the future? Should I sell my Dominion Bonds now and invest in some other security? These are two current $64 questions being asked by investors.

The course of interest rates for the future depends on a variety of factors, including the willingness of the people to save, the demand for capital funds, the budget position of the Dominion Government, and the policies of the central banking authorities, says Dominion Mortgage & Investments Association in their annual report this week. This association represents 53 companies; 12 loan, 16 trust and 25 insurance.

For the current year, capital investment "intentions" of Canadian business and government are 17% above 1947. If these intentions are proceeded with, the demand for investment funds will be considerably larger not only because of the increased amount which business plans to spend on capital development but also because industry has less in the way of liquid assets than it had a year ago, to help finance it, the association points out. Assuming that capital investment in 1948 is in line with "intentions" the demand for investment funds will exert further pressure on interest rates.

On the other hand there is general agreement that the rate of saving is declining. Personal savings of individuals in 1947 were $800 millions compared with $1,100 millions in 1946 (D.B.S.), the association states. The demand for investment funds in excess of the current flow of savings has spilled over into credit expansion. This is indicated by the fact that loans of the chartered banks showed a record annual increase of $461 millions in 1947 while at the same time the banks increased their holdings of provincial, municipal and corporation bonds and stocks by $316 millions. As financing through an expansion of credit is inflationary there is a need for increased savings while individuals, industry and government should postpone capital expenditure where the need is not imperative, the association feels.

With the stock market in the doldrums, the tendency is for corporations to lean heavily on borrowing to finance capital expenditures. The ratio of debt to owner's capital in industry rose in 1947, the association states. While for industry as a whole it is considerably less than it was 15 years ago, in view of the much higher break-even point which now exists, the ratio of debt is one which will bear watching by management and investors, the association feels.

For the first time since the Bank of Canada was established there was a decrease in Canada's total money supply in 1947 which, together with the increase in interest rates brought to an end a chapter in the Government's easy-money policy. While the rise in interest rates was constructive from the point of view of curbing inflation, it was due in a large measure to developments in the money market and particularly to the switching from Dominion of Canada bonds to provincial, municipal and corporation issues as the differential in yields broadened.

What the policies of the Bank of Canada will be is an unknown quantity. The willingness to save and the probable demand for capital funds are also very difficult to measure. However savings are not likely to increase in the face of rising costs, the association states. The volume of capital expenditure can be influenced in a number of ways such as the restriction of bank credit and through the control of imports of capital goods.

The Bank of Canada may be torn between two desires if money market developments which took place late in 1947 and early in 1948 are repeated. One would be the desire to keep the cost of government financing from increasing and the other the desire not to add to the inflationary pressure by adding to the money supply. To the extent that the Dominion Government continues to have a surplus available for debt reduction, its problem in this connection will be made easier, the association points out.

* * *

Annual Reports

Readership of certain financial parts of annual reports is unexpectedly high, General Foods Corp. found as a result of a survey. Of women stockholders who actually read their reports, nearly two thirds noted the income dollar chart and more than half studied a chart which traced earnings before and after taxes from 1929 through 1946. More than a third reviewed a chart tracing an increase in dollars invested in plant and equipment during the past 10 years.

Two out of every five of those who read the report at all were interested enough in the financial tables to run through the comparative consolidated statement of earnings. One in every four waded through a 10-year comparative earnings statement.

Canada & Dominion Sugar Co. 1947 annual report contains no remarks of officers or directors. Some comment would be helpful to shareholders. A list of directors and officers would also be helpful.

* * *

Zeller's Ltd. 1947 annual report is attractive in appearance and well illustrated with charts and pictures. Sales income goes 69.24% to merchandise and supplies; 14.26% for remuneration to staff; 6.16% occupational costs; 1.86% miscellaneous; 3.80% income and excess profits taxes; and 1.76% dividends with 2.92% reinvested in the business.

* * *

Blue Top Brewing Co. annual report shows net profit down 48.8% in 1947 but the directors have made no comment as to the reason. More information would be appreciated by shareholders.

* * *

United Service Corp. presents both a consolidated balance sheet and a balance sheet in its 1947 annual report. This is helpful to shareholders. A list of the names of the subsidiary companies would also be helpful.

* * *

Loblaw Groceterias Inc. reports the number of shareholders was 1,230 as of Feb. 23, 1948. Its annual statement will be released shortly.

* * *

Report Inter. Paper May Up Dividend Rate

International Paper Co. may up its annual dividend rate from $4 a share to $5 per common share, according to rumors circulating in New York investment circles. In addition it is claimed that company directors have discussed the question of a stock bonus. Previously the question of a stock split had been widely discussed by Canadian investors. The company's annual meeting is called for May 12 at which time it is thought some statement on dividend policy may be made.

* * *

See 1948's Financing Affected By Federal Budget

Until the budget is brought down it will be too early to forecast how the prospective financial requirements in 1948 will be met, A. E. Ames & Co. state in their May letter on "The Financing of Capital Expansion." Investment intentions are greater in 1948 than in 1947 with the prospects of $2,819 millions invested in plant and $2,204 millions on repair and maintenance expenditures (2,404 millions and and $1,181 millions respectively in 1947).

Although the demand for money promises to continue keen as a result, because of monetary and fiscal controls it is no longer safe to conclude that such a situation will now necessarily call for an immediate or even a sustained rise in interest rates, the firm points out.

Acute financial strain and sharply rising interest rates were avoided in 1947 by several fortuitous circumstances which supplied the capital market with a reasonable supply of funds, the firm points out. For 1948, on the one hand, U. S. dollars may be in easier supply by reason of European relief disbursements in this country and the drawing down of our credits at the U. S. Export-Import Bank, but any net acquisition will have to be financed by the FECB. On the other hand, the question of whether the financial needs of 1948 will be modified through direct controls and suggestions that some of the nonessential capital investment be curtailed or will be met at higher interest rates and/or by inflationary techniques will turn, for the most part, on the size and disposition of the surplus to be disclosed in the next federal budget, the firm points out.

* * *

Smelters' Strength A Factor For CPR

One reason for the recent strength in CPR common has been the strength in Consolidated Mining & Smelting Co. of Canada common, analysts point ont. As CPR owns 1,682,500 shares of Smelters' common, each of its own outstanding 13,400,000 common shares represents ownership of about one eighth of a share of Smelters' common. With Smelters' common at $109.75, this equity is equivalent to nearly $12.50 a CPR share.

CPR common was selling about $17.50 a share at mid-week to yield about 7.14% on the basis of the $1.25 dividend paid last year. A dividend of $8 a share on Smelters' stock would give CPR about $1 a share for its own common.

ROBB-MONTBRAY MINES only interest and investment is now represented by shares held in Darkwater Mines and advances made to that company. Current assets totaled $11,985 and liabilities $575 at Dec. 31, 1947.

JUDSON S. SAYRE

of South Bend, Ind., is president of newly formed Bendix Home Appliances Canada Ltd., to make household washing machines in Nova Scotia.

Can. Inv. Fund Adds To Eight Common Stocks

MONTREAL (Staff) — Canadian Investment Fund increased its common stock holdings in eight different companies during the first quarter of 1948. The report covering the quarter ended March 31, 1948, also showed a moderate increase in preferred stock holdings and Dominion of Canada bonds.

During the quarter it sold 150 shares of Canadian Industries Ltd. common and 850 shares of Dominion Bridge Common. It also sold $500 of Dominion of Canada 1¾% bonds No. 1, 1948.

Following are the portfolio changes during the quarter:

Common Stock	Inc.	Shares Held Mar. 31, 1948
Aluminum Ltd.	*200 (old)	
	*900 (new)	3,100 (new)
Brit. Amer. Oil	425	14,425
Can. Industries	*150	8,900
Consol. Paper	2,075	2,075
Dome Mines	2,500	10,000
Dom. Bridge	*850	4,000
Ind. Accept. A	1,025	1,025
Lake Shore	1,000	10,000
Nat. Brew.	225	8,225
Shaw. W. & P. Co.	1,000	6,000
Wright-Hargr.	5,000	14,000
Preferred		
Dom. Glass 7% cum.	500	500
Nat. Brew. 7% cum.	75	275
Shaw. W. & P.	200	800
Bonds		
Dom. 1¾% Nov. 1, '48	*$500,000	$1,000,000
Dom. 3% 1962	300,000	300,000
Dom. 3% 1963	300,000	300,000
Dom. 3% 1966	300,000	300,000
U. S. Treas. 2½% '67-72	150,000	150,000

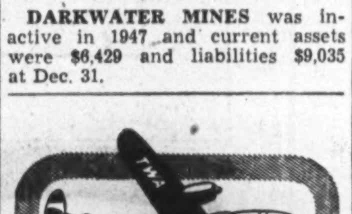
*Decrease.

From the above it is indicated that Canadian Investment Fund has added two new common stocks to its portfolio, Consolidated Paper and Industrial Acceptance Corp. "A." In the preferred group it has added Dominion Glass and has added $1,050,000 of Dom. of Canada and U. S. Treasury bonds.

At the end of March the investment portfolio contained common stocks of 48 Canadian companies and of nine U. S. companies together with eight preferred stocks and five bond issues. Government bonds, preferred stocks and cash, etc., net amounted to 22% of total net assets at market, the balance of 78% being in common stocks. Canadian assets comprised approximately 82% of the total, the remaining 18% being in U. S. dollar assets.

During the first quarter of 1948 outstanding shares of the company increased 116,861 to a new all-time-high total of 2,840,692 on March 31, 1948. On the same date total net assets with securities valued at market amounted to $12,642,136. The balance of realized profits on sales of investments amounted to $1.2 millions and in addition the quoted market value of investments exceeded their average cost by $938,721.

DARKWATER MINES was inactive in 1947 and current assets were $6,429 and liabilities $9,035 at Dec. 31.



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1 Royal Bank Building, Brandon, Man.

Consol. Paper Boosts Output By Speeding Up Machines

MONTREAL (Staff)—In a comprehensive statement on the company's position Consolidated Paper Corp. president G. M. Hobart gave shareholders an optimistic picture of future operations. Full operations for the balance of this year are expected due to a continuing heavy demand for chemical pulps, board, kraft paper and newsprint. Export sales of the company in 1947 provided Canada with $40 millions U. S. dollars.

President Hobart reported that an increase in newsprint capacity of 135 tons per day was made by speeding up existing machines. This cost the company $380,000 or $2,800 per ton of daily capacity; new construction to attain this increased capacity would cost $9 millions or $66,750 per daily ton capacity, Mr. Hobart pointed out. In the event of reduced demand, he added, the company should be in a position to reduce output and would avoid depreciation and interest charges, necessary expenses if the increased production had been attained with new installations.

During 1948 the major items of expenditure to be made by the company are: 1. Construction of a new pulpwood unloading pier at Port Alfred to receive wood from Anticosti and other districts by water transport; 2. Installation of additional high pressure pulverized coal boilers at Wayagamack and Belgo mills. This is a further step toward the ultimate objective of equipping these mills with auxiliary power and steam plants as integrated units.

Other highlights of the president's address were:

A saving of about $1 million in bond interest was effected in 1947. Only 48% of this benefits shareholders, the balance benefits the provincial and federal treasuries.

Increases in U. S. and Canadian freight rates since last October will cost the company approximately $2.5 millions annually.

$9 millions paid out in taxes is equivalent to about $4 a share; $11.70 a ton of all pulp and paper products or $1,578 per mill employee.

Of the 17,000 shareholders, 6,721 or more than one third are women. The largest private individual shareholder owns less than 1% of the issued common shares and the largest institutional shareholder owns less than 1% of the issued common shares and the largest institutional shareholder owns less than 2%.

Pulpwood costs have again increased due to higher labor costs, an increase in stumpage dues of 45% and an increase in ground rent of 25%.

In 1947 the company spent $3 millions on maintenance and repairs and over $4 millions on plant replacements, additions and betterments. It is anticipated that about the same amount will be spent on these latter items in 1948.

Improve Newsprint

Research department has developed an economical method for producing higher grades of newsprint paper. A method of pitch control in paper making has also been developed which increases production of the paper machines and effects savings. Research efforts have been concentrated on securing higher yields from pulpwood.

Labor relations at all mills are harmonious. Separate union agreements at all divisions were extended through 1948 on an open shop basis. Average hourly wages in the manufacturing divisions have increased 86% since 1939.

Mr. Hobart pointed out to shareholders that starting in 1932 with a working capital deficit of $10 millions the company built up its working capital position to $27 millions; reduced its funded debt $20 millions and thus showed a financial improvement over the 16-year period of nearly $58 millions.

Asbestos Corp. New Ore Body

MONTREAL (Staff)—General prospects for 1948 continue good, Asbestos Corp. president and managing director R. W. Steele told shareholders at the annual meeting last week. Demand for all major grades of asbestos continue strong but there seems to be some falling off in the order for shorts, he stated.

A new body of ore has been disclosed by diamond drilling contiguous to the Vimy mine. The amount of the deposit and a method of mining have not yet been determined and it will probably be some years before this ore is used, Mr. Steele said.

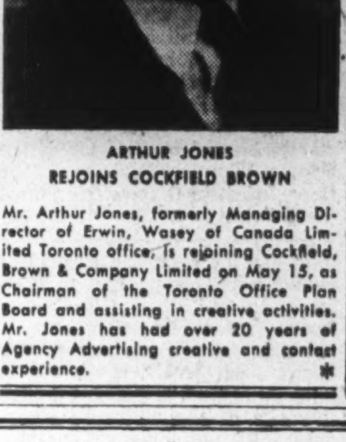
Earnings for the first quarter of 1948 were a little less than in the comparative 1947 period, the president indicated. This was due to bad operating conditions in January, irregular shipments and the necessity of moving lean ore in two of the open-pit mines. These conditions have now been changed, the president declared, and earnings for March were again on a satisfactory basis.

Referring to the new asbestos deposit, Mr. Steele said he thought there would be enough asbestos in it to keep the mill at Vimy going for another 15 or 20 years. The president said he could not see any let-up in the near future in demand for asbestos.

Bordulac Gets Values In Underground Work

Following completion of shaft sinking to 169 ft., Bordulac Mines has been securing values in drilling from a level now being opened at the 150-ft. horizon.

A diamond drill hole from the south crosscut at 36 ft. intersected 20 in. of quartz and sulphides averaging just over $32. A hole drilled 44 deg. to the northwest from the shaft manway at 72.7 ft. secured a foot of quartz with some fine visible gold which assayed $249.55. A third hole from the north crosscut did not cut the vein, apparently encountering a fault. Slashing to the east has revealed the vein, however, and samples have been sent out for assay.



ARTHUR JONES
REJOINS COCKFIELD BROWN

Mr. Arthur Jones, formerly Managing Director of Erwin, Wasey of Canada Limited Toronto office, is rejoining Cockfield, Brown & Company Limited on May 15, as Chairman of the Toronto Office Plan Board and assisting in creative activities. Mr. Jones has had over 20 years of Agency Advertising creative and contact experience.

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Investments for May Funds

Investors with funds available for investment, are presently favoured with improved market sentiment, continued good business reports and a wide selection of sound securities at attractive rates.

Our May Investment List discusses some of the factors contributing to this improved situation. Included is a selection of Dominion, Provincial, Municipal and Corporation Securities to provide yields ranging from 2.75% to about 6%.

Special comment is made regarding:
Abitibi Power & Paper Company Limited,
British Columbia Electric Company Limited,
and Simpsons, Limited.

Copy of May Investment List forwarded upon request by mail or telephone

Wood, Gundy & Company
Limited
Toronto Montreal Winnipeg Vancouver
Ottawa Hamilton London, Ont. Kitchener
Regina Edmonton New Westminster Victoria
New York Halifax London, Eng.

(Advertisement)
Consult Canadian Sirocco to get smooth power transmission or stepless adjustable speed control with Gyrol Fluid Drives. And for all your air handling, heating, cooling and drying needs as well. Branch offices in principal cities. Canadian Sirocco Company, Ltd., 310 Ellis Street, Windsor, Ontario.

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Toronto candy manufacturer is open to discuss active partnership with one who can make a substantial investment in return for up to 50 per cent interest. This business is doing over ¾ million dollars turnover and has national distribution.

Applicants should be capable of assuming either administration of production or direction of distribution and sales.

Please reply by letter only, giving sufficient evidence of financial responsibility and business background. Write "Candy Manufacturer" c/o Co-Related Public Relations Limited, 19 Melinda Street, Toronto.

T. EATON REALTY Co. LIMITED

4% Sinking Fund Fifteen-Year Bonds

Maturity of February 1, 1951
were
CALLED FOR REDEMPTION
on
APRIL 29th, 1948

Interest ceased on that date

Therefore, to avoid further loss of interest, anyone still holding any of the above bonds should surrender them without delay at any one of the places of payment, namely, any branch in Canada (Yukon Territory excepted) of the Dominion Bank, Bank of Montreal or The Royal Bank of Canada.

THE T. EATON REALTY CO. LIMITED

May 1, 1948.

These Debentures having been sold this advertisement appears as a matter of record only.

New Issue

$1,000,000

Industrial Acceptance Corporation Limited

Incorporated under the Laws of the Dominion of Canada

4% Sinking Fund Debentures Series "C"

Dated May 1, 1948 Due November 1, 1966

Information concerning this issue is contained in the prospectus, a copy of which has been filed with the Secretary of State of Canada in accordance with the provisions of the Companies Act, 1934 and Amendments. Copies may be had upon application.

Price: 99.75 and accrued interest

In the opinion of Counsel, these Debentures are a legal investment for Insurance Companies registered under The Canadian and British Insurance Companies Act, 1932, as amended.

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INVESTMENT DEALERS
Have pleasure in announcing that
GORDON R. BONGARD
has been elected a director of this firm
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The *new* Royal Muskoka Hotel offers you everything for the more exclusive and gracious holiday. Relax and rest in carefree comfort, or play as you wish. Enjoy tennis on fast clay courts, golf on a sporty lakeside course — professionally kept — swimming, beach sports, sailing, boating, launch trips and lake cruises. Meals, under a famous chef, are superb — in both dining-room and new coffee shop. Music and dancing every night with excellent orchestra — then sleep restfullly in the spicy, pine-laden coolness. All bedrooms newly furnished and redecorated. Comfortable steam heating (rooms and corridors) for chilly evenings. The *new* Royal Muskoka — with its experienced, hotel-trained staff — extends every personal interest in your comfort to make for a distinctive, long-remembered holiday.
For reservations, or for Convention facilities, write to:
THE NEW Royal Muskoka HOTEL
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A Half-Century of Brokerage Service
We wish at this time to express our appreciation to our many clients for their patronage. Their support has made possible the continuous operation of our business over a fifty-year period marked by great changes in Canada and throughout the world.
It is with pleasure that we look forward to a continuation of the cordial relations which we have enjoyed with our clients and associates.
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MONTREAL

MANAGED INVESTMENT

Oil, Mine, Paper Stocks Bought For MacNab Fund

MacNab's manager starts on a buying program. Majority of purchases will be confined to stocks providing a yield of 6%. First selections are Powell River, Noranda and B. A. Oil.

MacNab's Manager Says:

In accordance with my last report I have commenced on a small scale, a buying program, with a view to acquiring additional common stocks of companies which appear to be undervalued at current market price. I am confining the majority of my purchases to stocks providing a yield of 6% or more, because I feel that yield has been overlooked in the market by many investors who were looking for capital gain rather than income.

My first selections are: 10 shares Powell River, bought at $40½ and yielding about 7% on the basis of the 1947 dividend of $2.75 (including extras). As the company's stated policy is to pay out 60% of profits in dividends, and earnings for 1947 were $4.47 per share, it can be reasonably assumed that the same rate of dividend will be maintained during 1948. Installation of the No. 8 paper machine early in the fall of this year, plus the fact that substantial savings in wood utilization have been obtained from the recently completed hydraulic barking machine should augur well for further increase in profits this year. The company has no funded debt, unlike other Canadian paper companies and therefore the common stock is in the investment class, in my opinion.

I have also purchased 10 shares Noranda Mines at $49. At the current dividend rate of 75c quarterly Noranda yields over 6%. Financial position is strong and earnings per share of $3 in 1947 compared with $2.81 in 1946. 1948 should show a further increase in net profits including income from the many subsidiaries of the company. Prospects for an increase in the dividend to a $4 annual basis seem reasonably good at some future date. Working capital is in excess of $15 millions, not including a $5,071,000 reserve for investments and contingencies in the 1947 annual report.

Having sold Imperial Oil common at a profit I am adding 10 shares British American Oil common to your portfolio at $23 per share. This company is showing a rapid growth in assets and earnings and total assets are close to the $100 million mark. Net income from Canadian operations in 1947 totaled $4,111,000 equal to $1.47 per share. Dividends from U. S. subsidiaries were not shown in the balance sheet but income from this source, not transferred to the parent company was $4,030,000 compared with only $1,824,000 the previous year, reflecting the increase in the price of crude oil, plus additional wells in production which increased from 397 to 430 during the year. Sales of the parent company were at an all time peak of 554 million gals. compared with 480 million gals. in 1946. Continued growth in both volume and sales together with profits may be anticipated for this year.

Amended Plans Due In July St. Lawrence

MONTREAL (Staff) — A reorganization advisory committee embracing all groups and classes of St. Lawrence Corp. and St. Lawrence Paper Mills stockholders will be formed, J. E. L. Duquet, a director and legal counsel of the companies told shareholders at the annual meetings last week.

Purpose of the committee is to complete an amended plan of recapitalization of both the Corporation and Paper Mills. It is hoped that the new plans will come into effect by July.

Some of the principal features in the revised plans outlined by Mr. Duquet are:

ST. LAWRENCE CORP.

(1) Present Class "A" stockholders will receive a cash payment of $1 for each share held. This represents the full dividend accrued from Jan. 1 to June 30, 1948.

(2) Dividend rate on the new second preferred stock will be 75c per year instead of 50c as in the original plan.

(3) Sinking funds for redemption of the second preferred has been changed from the previous provision of one half the net remaining after preferred dividends to all of the first $500,000 plus one half of the remaining net.

(4) If the new first preferred stock goes into default to the extent of four quarterly dividends the first preferred will be entitled to elect one third of the board of directors. This provision was not included in the original plan.

ST. LAWRENCE PAPER MILLS

(1) Present preferred stockholders will receive for each share held a cash payment of $7.75. This payment will be made up of $4.75 on account of dividend arrears and $3 for current dividend payment.

Arrears will thus be reduced to $60. At the same time the call price of the second preferred (representing the arrears) will be reduced from $65 to $60.

(2) A sinking fund will be provided for the first preferred. This was not called for in the original plan. The sinking fund will start only after all the second preferred shares have been retired and the provision toward this fund will be equal to 25% of net earnings annually.

(3) Under the revised plan the sinking fund to retire the second preferred has been raised from $800,000 or 40% of earnings, whichever was lower, to $1 million or 50% of earnings.

(4) Dividends on the second preferred have been raised from $2 per year to $2.40 per year.

Mr. Duquet stated that the revised plans are conditional on the securing of rulings from the Canadian Income Tax division, and the U. S. Dept. of Internal Revenue with respect to the tax liability, if any, resulting from the issuance of the new shares.

It appears that the revised plans are the company's answers to the objections raised by preferred shareholders. In the case of St. Lawrence Corp. the objection to the original plan was that common shareholders were required to give up virtually nothing and that the chief benefit would be to the common shareholder. In the case of Paper Mills it has been reported that some preferred shareholders have been pressing the company to implement the original plan. In view of the more generous provisions outlined in the revised plan some observers believe these shareholders may now agree to back the amended plan coming into effect.

Early this week the preferred shareholders' group headed by Joseph Mayr had not commented on the revised plans.

Hunter Ltd Buys Control Of Robinson, Little & Co

Control of Robinson, Little & Co., Winnipeg, has been acquired by Hunter Ltd., Winnipeg, through the purchase of part of the holdings of four large stockholders, Stanley Windle, president and general manager of Robinson, states.

Mr. Windle will continue as president and general manager for the present. No changes are contemplated in the name of the business or in its merchandising or other policies, he states.

The new board of directors will consist of Mr. Windle, R. E. Schwartz and W. R. Finley, both of Winnipeg, Lt.-Col. L. M. Collins of Toronto and G. E. A. McCain of Montreal.

Notice of
SALE BY TENDER
of
CENTRAL BUILDING
45 Richmond Street West, Toronto
A downtown office building, centrally located, consisting of twelve storeys and basement
Tenders will be received until 12 o'clock noon, May 18th, 1948 (E.D.S.T.). The highest or any tender not necessarily accepted. A marked cheque equal to ten per cent (10%) of the amount tendered must accompany the tender. All tenders submitted will be subject to the Conditions of Sale as if the same were part of the tender. Conditions of Sale and further particulars may be obtained from
THE ROYAL TRUST COMPANY,
66 King Street West,
Toronto.
Mr. G. M. Waite.

International Petroleum Company, Limited
Notice To Shareholders And The Holders Of Share Warrants
NOTICE is hereby given that a semi-annual dividend of 25c. per share in Canadian currency has been declared and that such dividend will be payable on or after June 1st, 1948.
The said dividend in respect of shares represented by any Bearer Share Warrant of the Company of the 1929 issue will be paid upon presentation and delivery of Coupon No. 69 at:
THE ROYAL BANK OF CANADA
King and Church Streets Branch,
Toronto, Canada
The said dividend in respect of shares represented by Registered Certificates of the 1929 issue will be paid by cheque mailed from the offices of the Company on May 31st, 1948, to shareholders of record at the close of business on May 15th, 1948.
The transfer books of the Company will be closed from May 16th to June 1st, 1948, inclusive, and no Bearer Share Warrants will be "split" during that period.
Shareholders resident in the United States are advised that a credit for the 15% Canadian tax withheld at source or deducted upon payment of coupons is allowable against the tax shown on their United States Federal Income Tax return. In order to claim such credit the United States tax authorities require evidence of the deduction of said tax, for which purpose Ownership Certificates (Form No. 601) must be completed in duplicate and the Bank cashing the coupons will endorse both copies with a certificate relative to the deduction and payment of the tax and return one Certificate to the shareholder. If Forms No. 601 are not available at local United States banks, they can be secured from the Company's office or the Royal Bank of Canada, Toronto.
Subject to Canadian Regulations affecting enemy aliens, non-residents of Canada may convert this Canadian dollar dividend into United States currency, or such other foreign currencies as are permitted by the general Regulations of the Canadian Foreign Exchange Control Board, at the official Canadian Foreign Exchange Control rates prevailing on the date of presentation. Such conversion can be effected only through an Authorized Dealer, i.e., a Canadian branch of any Canadian chartered bank. The Agency of The Royal Bank of Canada, 68 William Street, New York City, is prepared to accept dividend cheques or coupons for collection through an Authorized Dealer and conversion into any permitted foreign currency.
By Order of the Board,
C. H. MULLINGER,
Secretary.
434 University Avenue,
Toronto 2, Canada,
30th April, 1948.

Expect Refunding By Lake St. John

MONTREAL (Staff) — An announcement with respect to $3 million refunding issue of Lake St. John Power & Paper Co. is expected soon, The Financial Post is informed. Notice has already been given that the $3 million of 5½% first mortgage bonds due July 1, 1961, will be called for redemption on July 1, 1948. It is believed the new issue will be of the same principal amount, with an interest rate of 3½% maturing July 1, 1961. Reports state that the bonds will be priced at par and that the entire issue may be placed privately. It is estimated that savings on interest payments will be approximately $60,000 yearly as a result of the refunding.

In addition to the 5½'s outstanding, Lake St. John has also approximately $3 million of 5% mortgage debentures outstanding, redeemable in whole or in part at 102 on or before July 1, 1956; at 101 after that date, to maturity. Whether these bonds will be refunded at a later date has not been stated. It is pointed out, however, that any savings in interest payments which can be effected will benefit the parent company, St. Lawrence Paper Mills, which is now involved in a plan of capital reorganization.

C.S.L. Expects Earnings Up

MONTREAL (Staff) — Higher freight rates on the same volume of shipping as last year should result in earnings more than sufficient to cover Canada Steamship Lines dividend requirements, shareholders were told at last week's annual meeting.

For 1947 net profit of the company of $708,797 was some $164,000 short of meeting dividend requirements. President W. H. Coverdale pointed out, however, that the company showed surpluses from three different sources: (a) earned surplus (b) capital surplus (c) surplus arising from realization of capital assets. On this basis the company showed an increase in consolidated surplus notwithstanding a decrease in earned surplus.

A shortage of materials continues to delay construction of new vessels, Mr. Coverdale said, but he expected the keel for a large upper laker would be laid in the next few weeks CSL has been unable to obtain materials for two passenger boats it desires to build.

Referring to the purchase of the Greenshields Building in Montreal, Mr. Coverdale said he hoped that reconditioning work would start shortly. The building was acquired on a very favorable basis and the cost including the reconditioning is expected to amount only to 25% of what it would have cost to put up a comparable building on the same site, he said.

'48 Output Up Of Aluminium

MONTREAL (Staff) — Canadian aluminum ingot output in the first quarter of 1948 was at the annual rate of 320,000 metric tons, according to an announcement by Aluminium Ltd. This represents an increase of approximately 18% over last year's production of 270,000 metric tons, and 81% more than the 176,000 tons produced in 1946.

Such an increase in production is one reason for the generally optimistic report given to shareholders at the annual meeting last week. President Nathaniel V. Davis told shareholders that the demand for aluminum exceeds that of the previous year in spite of the "economic unbalance of the world community." He said that due to diverse economic and political doctrines now prevalent many parts of the world are closed as potential areas of development by private capital.

At the end of 1947 Aluminium Ltd. had 64% of its assets in Canada, 85% were in British Commonwealth territory including Canada, 11% in Europe and 4% in all other countries. Production of aluminum ingot is carried on by the company in Canada, Norway, Sweden, Italy and India. In India the company has completed a new plant for the extraction of alumina from its own bauxite.

Primary reason for the increased production of raw aluminum is the new uses which have been found for the metal plus the general shortage of other metals. According to the Aluminium report the principal uses of the metal are for building and architectural purposes, transportation, vehicles of all types, domestic appliances and the electrical industry. In Canada the number of companies making and selling aluminum articles now number nearly one thousand.

Aluminum rolling mill products accounted for the greatest volume of fabricated metal sold last year, it was stated. This was followed by extruded products and aluminum cable. At the end of last year the new sheet mill of a Mexican company in which Aluminium Ltd. has an interest commenced operations. Expenditures of approximately $30 millions largely on fabricating facilities are contemplated over the next four years.

Technical development and research got increased appropriations last year it was stated. Studies intended to supply the consequent demand for fundamental design data and principles were carried on to meet the increased interest in the use of aluminum in the general structural field.

GOVERNMENT AND MUNICIPAL BONDS
BELL, GOUINLOCK & CO.
LIMITED
ESTABLISHED 1920
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Advisory Editor is Robert Hamilton Coats, LL.D., F.R.S.C.
The Canada and Newfoundland Overseas Reference Book is now in course of preparation for distribution to a substantial group of traders abroad. Comprising 650 pages, it will contain a wealth of trade and market data, statistics, maps and well-integrated articles covering subjects such as:
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New Calgary Office
WE announce the opening of a Calgary office, in the Royal Bank Building, under the management of
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CALGARY VANCOUVER VICTORIA CHARLOTTETOWN
ST. JOHN'S, NFLD. LONDON, ENG. NASSAU, B.W.I.

ADDITIONAL ISSUE

$2,000,000
Traders Finance Corporation
Limited
(Incorporated under the laws of the Dominion of Canada)
4% Sinking Fund Debentures, Series "B"
To be dated May 1, 1948 — To mature May 1, 1963
Trustee: THE CANADA TRUST COMPANY
In the opinion of Counsel these Series "B" Debentures will be investments in which The Canadian and British Insurance Companies Act, 1932 (Dominion) as amended, states that companies registered under it may invest their funds.

Capitalization
(After giving effect to the present financing)

	Authorized	Issued and Outstanding
Collateral Trust Serial Notes	$10,000,000	
2½% Series A Issue due September 1, 1949, 1950 and 1951		$10,000,000
Debentures	4,000,000	
3¼% Sinking Fund Issue, Series "A"		2,000,000
4% Sinking Fund Issue, Series "B" (this issue)		2,000,000
4½% Cumulative Redeemable Preferred Shares of the par value of $100 each	3,500,000	3,500,000
Class "A" Common Shares of no par value	170,000 shs.	27,543 shs.
Class "B" Common Shares of no par value	30,000 shs.	30,000 shs.

There are outstanding 13,653 Series "A" and 6,171 Series "B" Income Funding Rights with a total aggregate face value of $507,286.50. The rights and privileges attaching to the Income Funding Rights are described in the Statutory Information which forms part of the prospectus under which the Series "B" Debentures are offered.

We as principals offer these Series "B" Debentures, if, as and when issued by Traders Finance Corporation Limited and accepted by us and subject to the approval of all legal details on our behalf by Messrs. Borden, Elliot, Kelley, Palmer & Sankey, Toronto, who are also Counsel for the Company.

PRICE: 100 and accrued interest to yield 4%

Subscriptions will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice.

It is expected that Debentures in interim form, which will be exchangeable for Debentures in definitive form when available, will be ready for delivery on or about May 10, 1948.

A Prospectus, a copy of which has been filed under the provisions of The Companies Act, 1934, as amended, will be promptly furnished upon request.

McLeod, Young, Weir & Company
Limited
Nesbitt, Thomson & Company, Limited — Gairdner & Company Limited

The Editorial Page

It's Your Money

Every Canadian should realize that it is out of his pocket that all government expenditures must come. That is the one and only source of government revenue and for this reason, if for no other, every proposal for further government expenditures should be analyzed by the private citizen in the same way as he must analyze any proposed new expenditure of his own household.

That was the message Courtland Elliott, Canadian economist, brought to the members of Citizen's Research Institute of Canada at their annual meeting last week. Said Mr. Elliott:

> "Notwithstanding the fact that the prices which we pay for goods and services embody a large element of tax costs which are paid directly or indirectly, the delusion seems to have grown that everybody else pays the costs and that by a fuzzy combination of money magic and soak-the-rich techniques there is actually no real expense for the mass of Canadian citizens in increasing government expenditures."

Government expenditures and financing, maintained Mr. Elliott, "are the most potent inflationary forces in the world today," and no amount of current prosperity should lull us into regarding these expenditures with complacency. It is beside the point whether we can afford a certain scale of spending today. We must decide whether we can afford that rate in the future.

Only a fraction of the government budget is controllable. In the nonwar expenditures of the Dominion Government in 1945, for instance, only $120 millions of a total of $827 millions were controllable. The rest were fixed, a permanent burden on the taxpayer until wiped out in liquidation of the national debt.

Whether we realize it or not the increasing domination of the State over each of our lives is a costly business. As Mr. Elliott pointed out, "our peril may only become obvious when it is too late."

Without a radical revision in our tax rates and tax practices our economy is liable to be deprived of private investment which in its "cost reducing facilities" has been so largely responsible for building up the high living standard on this continent.

Best U. S. Defense

Complete abolition of the U. S. tariff on Canadian nickel and copper was urged by Robert C. Stanley at the annual meeting of International Nickel in Toronto last week. The head of Inco hailed the recent halving of these U. S. duties as a step forward but in the interest of further trade between Canada and the United States he urged elimination of the duties altogether.

Canada, of course, is practically the only source for nickel available to the United States so that the present duty of 1¼ cents per pound simply represents an unnecessary burden on consumers. With copper, however, the situation is different. Without the encouragement of a permanently free market in the United States, Canadian producers will hesitate to go ahead with full development. Said Mr. Stanley:

> "It is of importance to the future of Canada's export trade in copper and to the copper consumers in the United States that this remaining obstacle to the movement of copper into the United States should be removed. The imposition of the United States import duty in 1932 drove Canadian copper out of the United States, which is one of its logical and conomic markets. Until there is assurance that Canadian copper will be permanently free of duty or excise tax on imports into the United States, regular market outlets for a share of the Canadian production cannot effectively be developed in the United States."

It's to be hoped that Washington will give prompt and serious consideration to this suggestion. Action along this and similar lines is esssential to develop the maximum industrial output of this continent.

A free flow southward of Canadian products, particularly finished and processed products, will not only give the United States cheaper supplies as well as a more assured supply in peace or war, but it will help build a stronger and more prosperous Canada. And a strong and prosperous Canada is the best possible defense the United States could have along its northern border.

Threatening the Goose

Under the freedom for enterprise, which has prevailed on the North American continent, more improvement in the lot of the average man has taken place in the last hundred years than in all previous human history. The opportunity to save and invest has been open to all with ambition, energy and thrift while, through stock investments, savings could be invested in industry. But government policy plays an important part in effecting the incentive to save.

H. G. Hilton, president of the Steel Co. of Canada, drew attention to these facts at the company's annual meeting last week and pointed out:

> "Unreasonably heavy personal income taxes can discourage the more productive and thrifty from being so because they are deprived of so much of the fruits of their efforts while, at the same time, the less energetic and productive may produce still less, thanks to government subsidies and assistance.
>
> "The urge to invest savings as risk or equity capital in new enterprises or in the expansion of existing business, which has stimulated our progress, can be frustrated by the combination of heavy corporate profit taxes with excessive personal income taxes. In Ontario, the maximum an investor may retain from a dollar of profit is 63 cents after payment of taxes on business profits, and this only if he is liable for no personal income tax, while the minimum may be 25 cents or less dependent upon the rate of personal income tax. In simple language, if savings are risked in a venture which proves successful, the Government takes three eighths to three quarters of the resultant profit while, if the venture is a failure, the investor loses his savings."

With heavy contributions to two world wars in less than two generations Canadians must be prepared to pay substantial taxes for a long time to come. But on this very account the country cannot afford any sort of an indiscriminate tax policy that in actual effect may "kill the goose that lays the golden egg."

This Move is Sound

Ontario and New York State have decided to go ahead and develop power along the St. Lawrence. This is a wise decision. For over 25 years Washington and Ottawa have been talking a combined seaway and power project but to date nothing has been accomplished. As The Financial Post pointed out some months ago, "we might as well face the fact that there exists a great deal of serious opposition, not to mention honest doubt, as to the practical merits of the combined scheme."

Whether or not the seaway-power project would ever prove profitable there is no question about the power. Here is a new source of 2.2 million horsepower (on the international stretch of the St. Lawrence) waiting to be developed. If we had it now a substantial block could be put to immediate and urgent use, and there should be little difficulty in finding new markets for the balance.

We haven't this urgently needed power today, nor can we have it for several years yet, because the public has not been convinced of the necessity for the whole project, which included the seaway. Had there been no thought of developing the latter, long before this there would have been new power dams along the St. Lawrence and new industries close by.

Power dams were not built because it was argued that they might interfere with any subsequent development of the seaway, that the most efficient method was to do both jobs together. That is probably correct but so far this policy has produced exactly nothing in actual results and the recent action of the U. S. Senate in shelving the scheme offers little hope of any real progress in the near future.

In the meantime both Ontario and New York are seriously short of power and especially in areas close to both sides of the mighty fast-flowing St. Lawrence. Moreover if recent industrial development in this area is any yardstick of future progress, the present shortage may easily become chronic and crippling.

With a new cheap source of abundant power in that region, there is no reason why the industrial development of the Toronto-Windsor-London area cannot be duplicated in the Belleville-Cornwall-Ottawa triangle. The immediate development of power need not end all hopes of a seaway if that project does receive future approval. With only a moderate addition in initial costs, provision could be made for construction of the seaway at a later date.

Engineering authorities say that such a plan is not only feasible but that, under the present circumstances, it is the only solution.

Turn Their Eyes This Way

An incident which happened in Washington last week points up the importance of better understanding and information in the United States about Canada's industrial opportunities.

C. Bruce Hill of St. Catharines spoke before a hand-picked audience of United States business men attending the annual meeting of the U. S. Chamber of Commerce. He made the point that "a Canada strong politically and economically is as vital to the destiny of the United States as it is to that of Canada." He suggested that his audience "look well to the north before you go to the four corners of the earth to develop the resources of the world to supply your wants."

The point was not lost on these American businessmen.

One important executive was so impressed with Mr. Hill's statement of the Canadian situation that he sat down that day and wrote his president urging that instead of a new development they were planning in South America, they turn instead to Canada.

The point was underscored by the fact that following Mr. Hill on the same program was General George Marshall, fresh from his harrowing experiences at Bogota.

By and large, United States citizens are still woefully ignorant of what is going on in Canada. Many of them are ill-informed. They know little of the real facts about our dollar problem or of the basic facts which brought it about. Invariably, when they do understand it, they see at once the importance of doing what they can to strengthen relations between the two countries and achieve a greater degree of industrial co-operation and reciprocity.

We need more business missionaries like Bruce Hill and not just for an occasional speech south of the line but to keep U. S. industry systematically informed.

Let's Have Real Overhaul

Canadians can thank Congressman Bertrand W. Gearhart of California for a thoughtful gesture. He has introduced a bill into the House of Representatives which would enable U. S. travelers to take home, duty free, purchases up to a value of $500, in contrast to the $100 limit authorized today. It is further reported that the U. S. Department of Commerce is in favor of the move.

It would be nice, from a Canadian viewpoint, to see the bill pass. It would undoubtedly help us to obtain a good many more of those badly needed U. S. dollars during the tourist season. But, unless Congress has undergone a complete change of mood in recent months, Mr. Gearhart's bill is not likely to turn out to be any more than a gesture. If we were operating a store catering to the tourist trade, we would not increase our inventories very heavily on the strength of it.

Too many Congressmen still think that Canada somehow played a dirty trick on the United States by enacting her import and travel restrictions. They will not willingly move to support a bill that would, in their estimation, be heaping coals of fire on Canada's head to the tune of $500 per coal. Too many groups, like the Maine Hotelkeepers' Association, are writing bitter letters to Congress complaining of Canada's "discrimination."

Before Washington is likely to take any steps in this direction, Canada will have to do a big job of education among her friends and acquaintances in the United States. And if that job is well done, the prize should be something more substantial than the $500 duty free provision. It would be much more to our advantage to campaign for bigger stakes—nothing less than a complete overhaul of the U. S. tariff structure on Canadian goods and elimination of the "invisible tariffs" that make it difficult for us to sell many millions of dollars worth of goods that Americans want and need.

Napier Moore's ScratchPad

NEWS OF AN UNUSUAL combination of private and public enterprise has just reached us.

The CBC, whose main studios are not far from Maple Leaf Gardens, has a singularly good parking area in a neighborhood short on parking lots and long on parkers. It is, of course, government property. During the hockey playoffs in Toronto, while the radio men were absorbed in whatever radio men do, some urchins, waving flashlights, guided hockey-fan cars into the lot; collected 50 cents from each driver. By the time the goings-on were discovered, the lot was jammed full and the boys had decamped. There was nothing the CBC people could do except wait for the hockey fans to return after the game.

Protection against a repetition of such too-free enterprise has been established.

• • •

TO MENTION but a few, Mother's Day is May 9; Father's Day, June 20; Children's Day, June 26. National Baby Week is May 10-17; Cleanup Drive, May 17-19.

What still is needed is a Make Taxes Part of the Cost-of-Living-Index Week.

• • •

A clause in Private Bill 207, introduced in the House of Commons by Thomas Church and given first reading April 23, rather startles us. The Bill proposes to amend the Criminal Code. The clause says:

> "Everyone is guilty of an indictable offense and liable to six months' imprisonment and a fine not exceeding one hundred dollars who, having caused the death of any person while driving an automobile or motor vehicle, thereafter drives an automobile or motor vehicle at any time during the next ensuing two years, notwithstanding that such death was not caused entirely or partially by fault of such driver."

As we understand English, if a driver is neither entirely nor partially at fault he isn't to blame at all. But under the wording of the clause, even an innocent person can be punished if he drives within two years after a fatal accident in which he was involved but did not cause.

It may be that such is Mr. Church's intention. It may be that the Bill isn't clearly enough drawn. In the explanatory notes such phrases as "almost every highway is colored red with the slaughter" do not read as if they were written by a House of Commons law clerk. At all events, it seems to us that as it stands the Bill needs some scrutiny.

• • •

REPORTING ON BUILDING employees in the London area, the Manchester Guardian's Survey of British Industry in 1948 says that "the 'ten-minute tea intervals' in the morning and afternoon have been reduced in some places from 30 to 20 minutes."

• • •

FLYING FROM MONTREAL to Toronto, last leg of a round-the-world air trip, J. S. Vanderploeg, general manager of Anaconda American Brass, read Scratch Pad's item regarding Canada's January and February exports to U. K. of two and eight gallons of whisky. He writes us that, arriving in London in February, he received from his office associates here a number of food and other parcels for the use of his friends; among them a case of Canadian whisky. So he was interested to learn he had been the medium of swelling our export figures.

And from D. H. Brock, of West Vancouver, comes comment concerning our recent paragraph on variations of the adage about gold not being all that glitters. He quotes his father (a distinguished geologist) as saying that the adage didn't go far enough; that "if a thing glitters you can be pretty damn sure it isn't gold at all."

• • •

THERE IS A CANADIAN customs officer who was either brought up on the Adventures of Sherlock Holmes, or is a golfer.

As the story was told us, a Toronto man wanted a set of matched clubs made in the U. S. He went to Buffalo, bought the clubs and left it to a friend of his in that city to get them across the line without formality. A few days later the Buffalo chap left by car for Toronto, carrying the clubs along with his own in his golf bag. At the border the customs officer went over the car. "You play golf?" asked the officer. The Buffalo man said he did. "You must have a most unusual style," said customs. "You're the first man I've come across who requires nine right-hand clubs and five left-hand clubs for the same game."

Stop Me If—

Son (breezing into father's office): "Well, dad, I just popped in to say 'Hullo'."

Dad: "Too late, son; your mother popped in to say 'Hullo,' and she got all my change."

• • •

Willie: Did Edison make the first talking machine, Pa?

Pa: No, son. God made the first one, but Edison made the first one that could be shut off.

• • •

A cub reporter on an English newspaper was reprimanded for going too much into detail. "Keep it brief," ordered the editor. The next day he found the following on his desk:

"Shooting tragedy last night. Lord Hapless, a guest at Lady Wistful's, complained of feeling ill, took a highball, his hat and coat, no notice of anyone, his departure, a taxi, a pistol from his pocket, and his life. Good chap. Regrets."

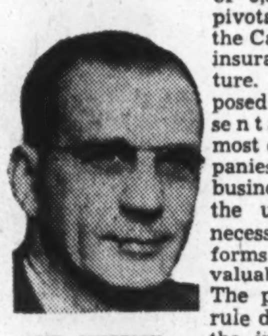
—Cartoon by Grassick.

Let's hope these are the only kind we will have to worry about this year.

Post Scripts

Life Underwriters President

New president of the Life Underwriters Association of Canada is William J. H. Chittick of Winnipeg. This association, which has a membership of 5,500, is the pivotal force in the Canadian life insurance picture. It is composed of representatives of most of the companies in the business and the underwriter necessarily performs its most valuable service. The public as a rule doesn't take the initiative in purchase of life insurance no matter how appreciative they may be of its value. It is through instrumentality of the life underwriter that they have acquired the mantle of financial protection now totalling about $200 billions on this continent.



MR. CHITTICK

Chittick, now manager for Manitoba and part of Northwestern Ontario of the Manufacturers Life Insurance Co., has been 20 years in the insurance business, all the time with the same firm.

A native of Manitoba, he was born in the village of Angusville where he attended public school, later going to high school at Russell.

His first employment was in his home village as a clerk in the Royal Bank. Banking might have been his career had not the Brandon manager of the Manufacturers Life lured him into insurance. He started as assistant to the manager of the insurance company at Dauphin.

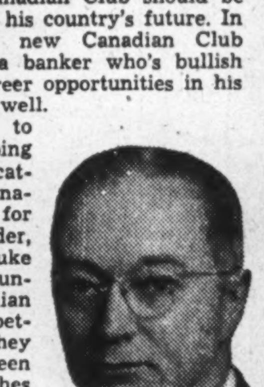
Last year with a top-flight sales force of his own, his branch topped all other units of his company's organization on the North American continent.

• • •

Canadian Club President

It seems appropriate that the president of a Canadian Club should be bullish about his country's future. In Toronto, the new Canadian Club president is a banker who's bullish about the career opportunities in his profession as well.

Referring to the disturbing trend for educated young Canadians to bolt for the U. S. border, Samuel A. Duke says: "Opportunities in Canadian banking are better than they have ever been before. Branches are larger. Managers have more responsibility. Furthermore, in contrast with U. S. banking practice which generally leaves a man in one place, our Canadian banks move men around; give them an opportunity to broaden their experience by becoming acquainted with business conditions in all parts of the country."



MR. DUKE

Mr. Duke's career illustrates the point:

Born in Peel County near Brampton, he embarked on a banking career shortly after he left the Waterford (Ont.) High School. The date was November, 1904, and the starting point was the Grand Valley (Ont.) branch of the Traders' Bank of Canada. Since this bank was amalgamated with the Royal Bank of Canada in 1912, it might be said that Duke found success by staying with one institution. At amalgamation, he was manager of the Harriston (Ont.) branch.

He saw a lot of Canada during the years following. The moves were many and can best be summed up: "managerships and inspectorships in Ontario, Quebec, the Maritime provinces, and the Middle West." Among points touched were Brandon, Toronto, Montreal, Halifax, Sherbrooke, and Windsor. In 1928, he became manager of the main branch at Toronto. Then, after some years as assistant supervisor of Ontario branches, he became supervisor in 1941 — the position he now holds.

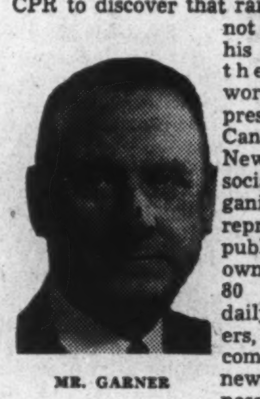
This sketchy outline of his ascent in banking circles doesn't end the story. Duke's been active in club and community work as well. All through the busy war years he was honorary treasurer of the Toronto Branch of the Canadian Red Cross, and served as president of that organization in 1946. He's been a Canadian Club member for 20 years, was vice-president in 1940.

Hobbies? He plays golf at the Toronto Golf Club, though he admits he's "lucky" if he scores under 100. When he gets time, he likes to tempt bass out of Lake Huron at Oliphant on the Bruce Peninsula.

• • •

Heads CDNA

Starting as a boy just out of school as a railway ticket clerk, Harold L. Garner stayed long enough with the CPR to discover that railroading was not for him, and his forte lay in the newspaper world. Now president of the Canadian Daily Newspapers Association, an organization which represents the publishers and owners of some 80 Canadian daily newspapers, Garner has come up in the newspaper business through the classified advertising department, the circulation and the general advertising field. Today he is general manager of the Peterborough Examiner. In the 10 years he has directed that newspaper, it has become one of Canada's foremost most-quoted dailies.



MR. GARNER

An advertising man at heart, Garner still likes nothing better than to go out for a day with layouts in his brief case and sell space. He has a thorough understanding of all the other branches of the newspaper game, is a born organizer and his motto might be said to be "never put off until tomorrow that which you can do today."

When he joined its ranks CDNA soon recognized his organizing ability, and his genius for getting things done. He served two years as chairman of the Bureau of Advertising and four years in the two vice-presidencies.

Garner is also director of the National Advertising Executives Association of the United States.

But Harold Garner's interest has not been all centred around the newspaper field. For five years he has been connected with the Air Cadet movement and has served as chairman of the Ontario Provincial Committee and now is executive chairman of the Air Cadet League of Canada, and the president's representative in the past.

During the war his activities included seven months' work with the Wartime Information Board in Ottawa, New York and Washington as well as being a member of the Publishers' War Finance Committee.

In 1947 Garner was a member of an official CDNA party of four men who formed a trade mission which toured Great Britain and advised English manufacturers as to the possibilities in Canada.

Born in London, Ontario, in 1888, Garner started work in the local ticket office of the CPR. At 18 he was in Toronto in charge of all sleeping car reservations and two years later was sent on special assignment to Winnipeg. Six months later he returned to London as chief of the ticket department. After three years he resigned to join the London Free Press and a little later switched to the London Advertiser, where he did considerable work in the national advertising field.

Mr. Garner has three sons all of whom are in the advertising field.

What Others Are Saying

Editorial of the Week

Real Reciprocity Needed

Winnipeg Free Press

The facts are yet so vague, the European integration program so tentative, the world political situation so unsettled that no Canadian Government can see ahead four years and gauge our European markets at that time. But, considering Europe's maximum capacity to import in the future; considering its plans to build up its trade more and more outside the dollar area; considering our own capacity to import European goods (which will greatly affect the size of our exports to Europe); and considering finally our dependence on the United States for essential imports, one conclusion is surely inescapable. It is that, while doing our utmost to supply goods to Europe during its reconstruction, and to maintain maximum markets there afterward, we are bound to develop our trade with the United States to the highest possible volume.

For this purpose our new trade agreement with the United States is a very great beginning, but even if we were using it to the maximum by allowing farm exports to the United States market, it would not be sufficient to stabilize our position in the long term. All the recent developments in the world economy must urge us on toward the "real reciprocity" with the United States.

Other People's Views

IT WOULD BE MUCH BETTER to develop both St. Lawrence seaway and power together, says the **Windsor Star**, "but Ontario and New York cannot wait indefinitely for action by the United States Senate, where political considerations, on a regional basis, have thwarted attempts to get the project under way."

GENERAL CROP INSURANCE without taking soil and climate into consideration would only serve to keep marginal or poor farms in operation, argues the **Calgary Herald**. "In effect, this or any other benefit scheme simply bonuses farmers on submarginal lands to stay in business. Some areas of Southern Saskatchewan have experienced, over a period of years, about as many crop failures as they have average or better harvests. It does not seem economically sound that such land should be kept in cultivation. Few Canadians would begrudge assistance to farmers who are in no way responsible for the failure of their crops. But a decision as to what land is fit for cultivation must be made sooner or later, and certainly must be made before any general crop insurance scheme can be instituted—if one can be instituted."

THE MIDDLE-AGED should be given a chance in the income tax to accumulate for their own requirements, says the **Winnipeg Tribune**. "Most men do not hit their earning stride until they reach their middle thirties. Consider then the plight of the men who were in their thirties or forties when the income tax rates soared early in the Second Great War. The costs of war siphoned off the extra income that should have been directed into the purchase of a home or insurance or annuities, or into bank savings accounts. There was no objection during the war years. But now there is objection. The war has been over nearly three years. There are Government budget surpluses now, but the hard-pressed individual would dearly like to budget for a surplus of his own."

MEMBERS OF PARLIAMENT are only human, states the **Almonte (Ont.) Gazette** apropos of a rural teacher's disappointment over a visit to Ottawa. If the teacher in question were ordered to sit in the press gallery, say, during all sittings of the House for 30 days she would understand why the members looked so weary and disinterested—that is she would if she did not suffer a nervous breakdown while serving her sentence. It is pretty hard for the members themselves to stand for some of the long-winded speeches rolled out by their colleagues. That is the way it is and it always was that way since the days of Simon de Montfort. The members are no different today than they were 75 years ago except that they are more often absent at week ends because of better transportation.

The Financial Post

Member Audit Bureau of Circulations
Member Business Newspapers Association of Canada

A weekly newspaper presenting in a popular manner reliable information respecting investments, business and national affairs in Canada.

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Deduct Mortgage Interest From Income Tax?

The Question: Allow occupant-owners to deduct mortgage interest from taxable income as one inducement to home ownership?

Twelve of 20, or 60% of those queried vote against mortgage interest deduction from income tax for occupant-owners. Those opposed say any such concession to owner-occupants would amount to an out-of-pocket subsidy paid by the main bulk of taxpayers, that it would be "used" by many who are ready to build without assistance, that it might encourage enlargement of mortgage debt beyond the means of the intended beneficiary, that it would discriminate against the tenant family. The pros. argue there is precedent in recent income tax concession to rental landlords, that extension of such inducement to owner-occupants would properly stimulate building of new small houses for owner-occupancy, cut demand for subsidized rental housing, swell the army of "good citizen" property owners.

ALLAN ·. ROSS, President, Canadian Construction Association, Ottawa.

Allowance of mortgage interest as a deduction from taxable income would be encouragement to home ownership and would be only fair. This item is already allowed as a deduction to those who rent their property to others. The trend toward lower down payment requirements and lower monthly carrying charges will be an even greater inducement to home ownership. But most pressing need is for low-rental housing where lower costs must be achieved by minimum standard building code requirements, efficient construction methods, low cost design and agreement among Dominion, provincial and municipal governments on a national long-term plan.

* * *

GEORGE PRUDHAM, president, National House Builders' Association, Edmonton.

In my opinion occupant-owners should be allowed to deduct mortgage interest payments from taxable income. This concession and lower initial payments would encourage and assist larger numbers of average earners to home ownership. I believe this would contribute to a more stable citizenship and cost the public treasury less than the present method of providing subsidized low rental accommodation.

* * *

W. J. LeCLAIR, president, Federation of Property Owners' Associations, Ottawa.

If occupant-owners were allowed to deduct mortgage from taxable income it would definitely encourage home ownership. What is more important, it would encourage new house construction for owner-occupancy. Corresponding encouragement could be given construction for rental purposes by granting a larger than double depreciation allowance on new rental housing with a still greater depreciation allowance on conversions. Present allowance for depreciation is quite inadequate when it is considered that construction costs are approximately 100% above normal.

* * *

HAROLD E. MANNING, K.C., vice-president, Toronto Property Owners' Association.

I believe that a proper conception of tax policy would recognize the right of all taxpayers to deduct from taxable income not only interest paid on mortgages on their homes, but also taxes paid on all their properties, whether productive or unproductive, and all other interest payments. This is in harmony with United States income tax practice. Failure to recognize the American right to make these deductions makes comparison between Canadian and United States income tax rates misleading. There is no basic reason why interest (which must be returned by the lender as part of his taxable income) should not be allowed as a deduction from the taxable income of the payer. There is every reason for allowing deduction from taxable incomes of all municipal and other taxes paid, because those taxes help to support the heavy cost of government in Canada and the income from which they are paid should not be taxed twice.

* * *

ERIC HARDY, director, Bureau of Municipal Research, Toronto.

To allow such a deduction is one practical approach, though not an ideal method of encouraging ownership. One effect is to confer a greater proportional benefit the higher a person's taxable income. For example, suppose an owner pays $250 mortgage interest. If his net taxable income otherwise is $2,000, such a new deduction would reduce his tax by $60, whereas on $5,000 income he would save $70. Nevertheless, the importance of that inequity should not be exaggerated. The act should fix a maximum deduction of say $500. The main benefit would accrue then to people with moderate income. To encourage systematic principal repayment, the interest deduction might be allowed only, if 3% of the principal also has been retired.

* * *

P. S. BOWER, assistant general manager, Great West Life Assurance Co., Winnipeg.

The social benefits of a large proportion of occupant-homeowners in a comunity have been widely recognized, yet little or nothing has been done to encourage ownership against tenancy. In fact, the costs of ownership have climbed steadily with the increased burden of municipal taxes and services. Some relief is now afforded the property owner who rents to others. The owner, occupant, however, is in a different position as he has no money income from his property against which to charge the expenses. In the circumstances permitting the occupant-homeowner to deduct from his personal income tax his mortgage interest might be violating the canons of income tax, but it would contribute an incentive to the socially desirable objective of an increase in occupant-homeowners.

* * *

ANDRE TASCHEREAU, K.C., Quebec, Que.

Many people hesitate to build a home at the present time as they believe that in a few years the cost of construction will be lower and that as a result they will suffer a capital loss in their investment. Therefore, some relief in the way of taxation that would offset to some extent such expected capital loss over a period of years should be allowed. It would encourage home ownership.

* * *

CLARENCE GILLIS, CCF Member of House of Commons, Glace Bay, N.S.

I'm in favor of granting this concession to people who build a house of their own. It would encourage low-income and other renting groups to become homeowners and thus better citizens. Interest on borrowed money is the greatest load one has to carry in buying a home. Landlords who build houses to rent as an investment now have the inducement of accelerated depreciation to reduce federal taxes. Federal concession should be extended to include home builders.

* * *

RAY T. FORBES, Mayor of Fredericton, president, Canadian Federation of Mayors & Municipalities.

Occupant-owners should not be allowed to deduct mortgage interest from taxable incomes, and if such a policy were adopted I doubt if any appreciable number of new occupant-owned homes would result. The over-all burden must be met by the people as a whole. For this reason I don't favor any form of residential tax exemption. An exemption is actually a subsidy which must be paid by others. Furthermore, many would endeavor to enjoy this privilege who otherwise would build without any assistance, government or otherwise.

* * *

J. E. FORTIN, sec-treas., Dominion Mortgage & Investments Association, Toronto.

I do not agree that there is any special virtue in home ownership and consequently the answer to the question is "no." Whether a man owns a home or rents one is essentially a matter of his choice and there is no reason whatever for discriminating against the man who chooses to be a tenant. In any event the proposition would deal most unfairly with home owners without mortgage. Mortgage interest, municipal taxes, maintenance, etc., are part of the living expenses of the home owner as is the rent paid by a tenant and an exemption for a married person is already provided. I consider that any special concession to a home owner would be unfair to, and discriminatory against many good Canadian citizens who rent.

* * *

W. H. BOSLEY, W. H. Bosley & Co. (real estate), Toronto.

Assuming that home ownership should be encouraged, and I think it should, this would certainly act as a stimulant. It would, however, encourage enlargement of mortgage debt perhaps beyond the means of the individual concerned and without some regulation to prevent this happening, the scheme might benefit the well-to-do at the expense of the not so wealthy. In so far as such a suggestion singles out one section of the taxpaying public for special treatment, it is open to criticism. There is little doubt, however, that such a scheme would encourage home ownership among those whose income is large enough to be taxable. It would be of no value for that large portion of the population whose income is not taxable and it is among this latter class that the housing problem is manifestly most acute.

* * *

DONALD M. FLEMING, K.C., Prog.-Cons. member of House of Commons, Toronto.

I do not consider that it would be fair to other taxpayers to permit occupant-owners to deduct mortgage interest from taxable income. I think it would be unfair discrimination against those who have scrimped to pay off or reduce their mortgages hitherto. It might encourage other owners to raise money on mortgages which would not otherwise be necessary. There are other ways of encouraging home ownership without creating discrimination.

* * *

WILFRID EGGLESTONE, Press Gallery, Ottawa.

Home owners are already favored in income tax operation since they are not required to report the very real if nonmonetary income they derive from net investment in their own residence. To extend this to permit deduction of mortgage interest from taxable income might be discrimination against low-income renters and in my opinion would be difficult to justify.

* * *

HON. J. W. DeB. FARRIS, Member of Canadian Senate, Ottawa.

My answer is "no." Desirability of home ownership does not justify discrimination against rent-paying home occupants. Also, such a proposal would discourage paying off mortgages. It is time people understood that thrift is desirable and exemptions for some mean more burdens for others.

* * *

L. F. EARL, political writer, Tribune, Winnipeg.

No. Even though it is advisable to do everything possible to encourage home ownership under present conditions, granting income tax exemptions on mortgage interest would not be practical. Unless the privilege were carried much further mortgage interest exemptions to occupant owners would have the effect of discriminating against other groups of taxpayers.

* * *

LEON J. LADNER, K.C., Vancouver.

My answer is "no." This would make those home owners a preferred class under taxing statute as compared with other equally deserving and thrifty citizens who have paid all cash for their homes or the apartment tenant who actually is unable to buy a home. I do not believe mortgage interest deductions from taxable income would create many more homeowners because new construction is limited by material supplies and costs while old homes are already occupied by homeowners in the main. Income tax should be justly imposed on all taxable incomes with the same rates for equal incomes.

* * *

KENNETH I. MORRISON, chartered accountant, Calgary.

While being a strong advocate of home ownership I don't think it would be equitable with other forms of personal investment to allow interest on a home mortgage as a deduction from taxable income. One can anticipate the argument that every person paying rent is in effect paying some portion of the carrying charges of the home which he occupies and therefore would claim comparable treatment to the taxpayer paying interest. The field of personal investments would also have to be considered and the argument could be advanced that all savings invested are beneficial to the stability of Canada and that interest derived from such investments should not be subject to income tax. Inducement to home owners by way of income tax concession would create many similar claims. For that reason, I don't recommend it.

* * *

K. leM CARTER, chartered accountant, Toronto.

I do not favor permitting occupant-owners to deduct mortgage interest from taxable income. Present law encourages debt reduction by omitting from taxable income imputed rentals of homes. If interest were allowed incentive to debt reduction would be lost and tax emphasis would be placed on ownership of homes regardless of debt. The proposal would not achieve increased ownership because of the housing shortage and might aggravate inflated prices. Income tax is still a revenue measure and concessions for social purposes should, in my opinion, be made only when very striking advantages would accrue.

* * *

H. H. STIKEMAN, barrister, Montreal.

I do not belive the allowance of mortgage interest as a deduction from income before income taxes would encourage home ownership. I think the experience which the Government had when mortgage interest was allowed as a credit against forced savings imposed upon taxpayers during the war years would show that rather than buy homes on mortgages individuals already owning homes would be inclined to place mortgages upon them further. To permit such a deduction might imply an equivalent allowance to homeowners who had no mortgage in respect of a reasonable amount of interest on a capital value equivalent to that of their home. I do not think it would be equitable to the taxpaying community as a whole.

* * *

THOMAS H. MOFFET, Saskatchewan Co-operative Producers Ltd., Regina.

I do not believe the privilege of deducting mortgage interest from taxable income would be an effective encouragement to home ownership. It would increase the number of persons establishing their own homes. It would not increase the number of homes available to be bought. Tax on interest is small change compared with the other burdens that increase the cost of acquiring a home. The tax law should not be made the vehicle through which public bonuses are granted. That procedure starts a new chain of inequities in the payment of taxes.

GORDON R. BALL

general manager of the Bank of Montreal, has been elected a director of the Standard Life Assurance Co.

These readers mean business!

In Montreal, there are 348,219* women of shopping age, differing in language, brand preferences, volume purchases and choice of shopping days. But most of them have one thing in common . . . They still do the bulk of the family buying guided chiefly by the advertisements in their daily newspaper. (Continuing Studies of Newspaper Reading show that many advertisements get higher female readership than editorial matter!)

*Census—1941 Montreal (proper)

ONE newspaper in Montreal—the Star—provides a reliable, time-tested buying guide for practically every feminine buyer in Montreal's rich English-speaking market.

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"Canada's Greatest Newspaper"

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(ADVERTISEMENT)

Mr. G. S. Forbes

"Working in the day and attending college at night leaves me very little time for reading," says Mr. Forbes, 1689 Fayolle Avenue, Verdun, Que. "Therefore I depend on The Reader's Digest a great deal to keep me up to date on current reading. My investment in The Digest has paid great dividends and I wouldn't miss a copy."

The May issue of The Reader's Digest, containing 36 articles of lasting interest from noted magazines and books, is on newsstands to-day. Make sure you get your copy.

LOUVICOURT GOLDFIELD CORP. has received payment for balance of Apr. 17 underwriting of 61,111 shares at $1.80 a share. Issued capital is 3.5 million shares. There are no further shares left in the treasury.

LABOR ROUNDUP

Ontario Election Will Be First Test CCL-CIO Political Marriage With CCF

The Ontario provincial election will mark a milestone in the Canadian trade union movement; it will be the first real test of the significant decision by a section of labor to actively support and work for the election of a political party.

Only half the labor movement will be involved—the CCL-CIO. The TLC-AFL is sticking to its traditional no-politics concept of unionism although there will be isolated cases of AFL people getting into the battle. But for the CCL-CIO (350,000 claimed members) election day (June 6) will be a day of decision.

The CCL-CIO has endorsed its political favorite, the CCF, every year since 1943. But it never paid much more than lip service. This year things are different. Some of the biggest CCL unions (Steel, Packinghouse, Rubber and some parts of the Auto Workers) will be in there punching.

Not even the most optimistic CCF unionists expects to knock the Drew government out. But what they are looking for is some definite indication that labor can inject an extra wallop into the CCF punch.

Whether they can will be known on June 6. But there's no doubt that the CCF will have a hard-working organization. Some of the biggest unions have already detached several of their top organizers to concentrate on political action. When the campaign begins to warm up, they will be able to call on scores of volunteer canvassers.

This time, too, the CCF campaign should not lack anything for want of money. In the past the Socialists have had to run their election on a shoe string. This time the Ontario CCL has set as its objective an election war chest of $100,000. In a small city (25,000) $2,000 was pledged at the first joint meeting of the CCF clubs and unions.

However, the CCF-CCL marriage is not all a bed of roses. A union, even though it supports the CCF, consists of all political shades, including Communists. And since the about-face in LPP policy to support the CCF, the boring-from-within of the Commies has been made much easier, by active CCL support of the CCF.

Most CCF unionists are fighting tooth and nail to keep the Communists out. The Toronto Labor Council has ruled that Communists and their supporters cannot sit on any political action committee. But in some places, the Reds have already wormed their way in. In one case a known Communist (at least until recently) headed a political action committee.

However, this situation was brought under control and the CCF and the unions are confident they can handle similar situations which will undoubtedly arise. In the meantime, they hope the Ontario election will be the first big step toward a labor-politics fusion along the lines of the British Labor party and the Trade Union Congress.

* * *

Rehab Schools Closing Soon

This fall will see the end of one of the most successful job-training plans in Canada's history: the Dominion-Provincial Vocational Training plan for veterans.

When the last class is held, 135,000 ex-Service men and women will have received training in 60 trades and vocations. At the peak (spring, 1946) 40,000 veterans were on course; instructors numbered 3,500.

The latest survey shows that 74% of the 135,000 completed their courses and that 80% of these were still working at the job for which they trained at the Rehab schools.

Soon, government, industry and organized labor will be faced with the question of what to do with these training facilities. Will they be closed or continued as a nucleus of Canada's first permanent job-training system?

Ottawa has already proposed to the provinces that current agreements be extended to provide (a) training of veterans (b) training of unemployed civilians (c) youth training and assistance to students.

* * *

ILO and Right To Organize

Next month the International Labor Organization will move to make the right to organize official. At its June Conference in San Francisco, the I.L.O. will propose a convention, or treaty, which will declare: "Workers and employers, without distinction whatsoever, shall have the inalienable right to establish or join organizations of their own choosing without previous authorization."

If approved, and this seems assured, the treaty would still be subject to ratification or acceptance by each of the 55 member countries and, wherever ratified, it would be backed by the I.L.O enforcement machinery. The proposed text of the treaty has been circulated among the government, management and labor delegates.

* * *

30,000 Unionists Sign No-Communist Pledges

Since the Taft-Hartley Labor Law came into force in the United States last fall, 30,000 union officials have complied with its no-Communist requirement.

National and International Officers

AFL	859
CIO	179
Independent	195
	1,233

Local Union Officers

AFL	20,934
CIO	1,769
Independent	6,715
	29,418

There are a lot who have still to sign up. Some haven't, on principle, like John L. Lewis and CIO President Philip Murray. Others just can't comply without perjuring themselves (penalty for false statement, up to 10 years in jail and/or a $10,000 fine).

Whether there is perjury or not is no concern of the National Lafor Relations Board. All it is interested in is that a union must file no-Communist affidavit before such union can use NLRB services. It is responsibility of the Department of Justice to get after those making false statements. So far the Department has not gone looking for perjurers. It has relied on tips or complaints. So far, it has had only one.

But now it looks as if the Department of Justice might get some business. The House Committee on un-American activities has a master index of Communists and other subversive or suspected organizations, plus names of persons identified with them. Now the Committee is checking the 30,000 names of union officials against this master list.

Those on the NLRB list which the house committee can tie to a subversive organization under the broad lines of the Taft-Hartley Act will be turned over to the Department of Justice for action.

REAL ESTATE

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Specializing for the past 28 years in homes for executives.
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The following real estate brokers have grown and helped build Canada:
Alderman J. G. DeWolf, Halifax. Eastern Trust Co., Saint John. E. H. Keyes, Moncton. John B. Sampson, Kingston. Arnevitch and Leipsic, Winnipeg. McCallum and Hill, Regina. Toole and Peet Co., Calgary. Walter Thorne, Moose Jaw. T. R. Longworth, Brandon. H. O. Duggan, Medicine Hat. Bell and Mitchell, Vancouver. Pemberton and Holmes, Victoria.
We have visited and made commission agreements with the above mentioned firms. They are at your service. With their co-operation we would be pleased to look after your real estate agreements.
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BEAUTIFUL RIVERFRONT HOME FOR SALE!

This new home overlooking the Detroit River is offered for sale on very reasonable terms. There are four bedrooms, living room 14x26 with fireplace, dining room, modern kitchen, sun porch. Hot water heat with stoker. Deep freeze locker, 3 car garage. 87 feet of water frontage with rights to the channel bank. Taxes in 1947 were $58.52.
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Real Estate and Insurance
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"The best investment on earth is the earth itself"
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Stone home—Spacious 9 rooms, four fireplaces. Double garage, very picturesque surroundings, overlooks river. Maples, shrubs, flowers. Numerous farm buildings. Rolling pasture land, woods with trout creek. Just suit some city man.
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BIG GAME MINES carried out geological mapping, general prospecting and diamond drilling on six groups of claims in Ontario and Quebec in 1947, mainly to cover assessment requirements. Some 59 claims were staked in Quebec. Current assets totaled $2,058 at Dec. 31.

FOR SALE
Valuable Cornwall Commercial Property
Known as the "Snetsinger Block"
at the
South West Corner of Pitt Street and First Street
Property has a frontage of 93' on Pitt Street and a depth of 176'. Buildings occupy about 57% of total land area of approximately 16,300 square feet and comprise a main three storey brick building and basement with a one storey extension at rear, ideal for receiving and shipping purposes.
For full particulars apply to
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FACTORIES and INDUSTRIAL SITES FOR SALE
Give us your specifications and we shall be glad to submit suitable listings.
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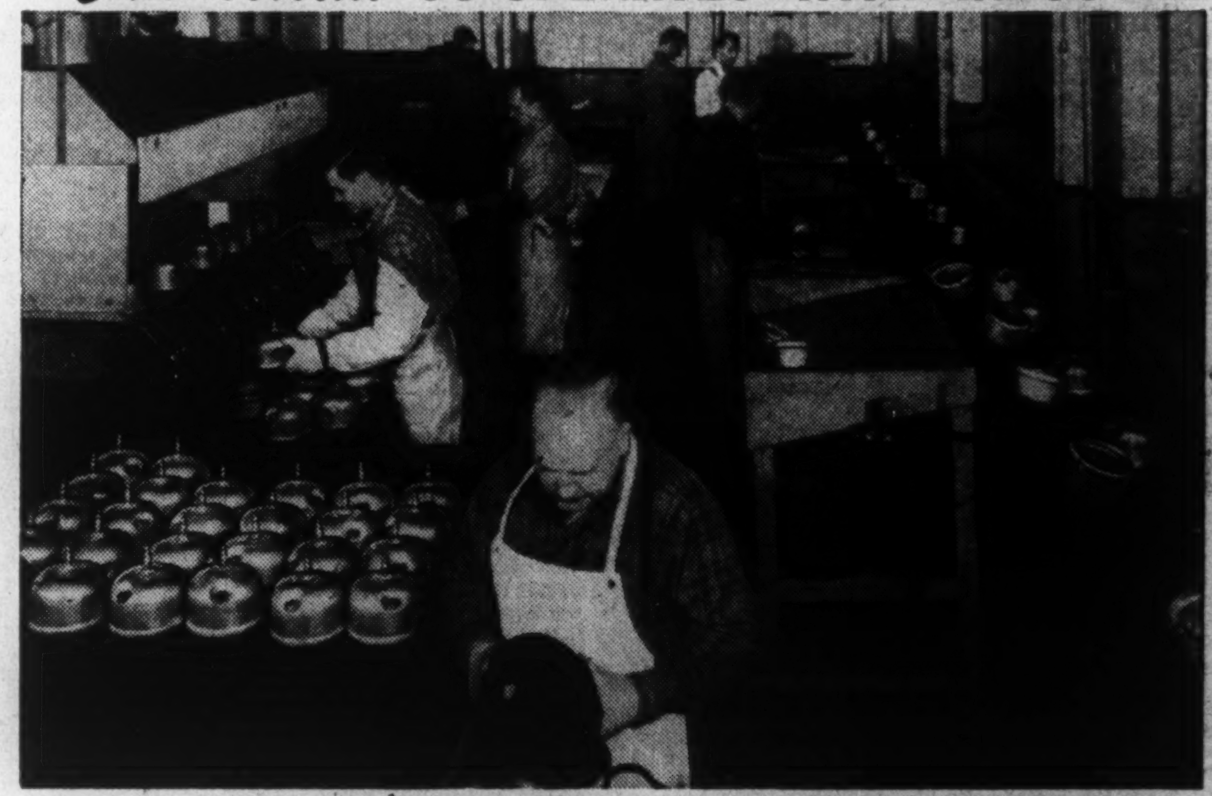
320 Bay St. Toronto AD. 5661
P.S.—We also have the largest list in Toronto of homes, farms, country estates and summer properties. Consult us and save time and money.

Anaconda CO-OPERATES WITH INDUSTRY



Founts of Anaconda Brass for Coleman lamps and lanterns are fabricated and pressure tested in the Tank Room. Feed-tubes, filler-plug bushings and built-in pump barrels—most of which are also made of Anaconda Brass—are inserted, locked and soldered.

Good Lighting with Brass

Thousands of Canadian families live in outlying districts not supplied with electricity. In spite of this and because of Coleman lamps, countless cottages, cabins and farm homes enjoy all the advantages of good lighting.

The principal parts of the Coleman lamp are made from brass. One of the many useful copper alloys—brass is found best for this and many similar uses because of its unique combination of three characteristics — malleability, tensile strength and corrosion-resistance.

In the Buffing Room founts that are to be plated are colour buffed on high-speed automatic and hand machines. (All photographs reproduced here through the courtesy of the Coleman Lamp and Stove Company Limited, Toronto.)

Fifteen different parts—most of them made from Anaconda Brass—go into a Coleman lamp generator and 56 precision operations are required to complete it, including the drilling and reaming of a perfect 7/1000 inch hole in the tiny gas tip.

ANACONDA Copper and Brass

Anaconda
COPPER & COPPER ALLOYS
ANACONDA AMERICAN BRASS LIMITED
Main Office and Plant: New Toronto, Ontario
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SINCE 1922 HEADQUARTERS IN CANADA FOR COPPER AND BRASS

***No. 10** in a series dealing with Pension and Profit-Sharing Plans in Canada.*

Government Underwritten Pension Plans...

New Rate Increase

Effective April 19, the Government announced its new, drastically-increased Annuities rates. An indication of the magnitude of this increase is shown in the Table below:

Age	Old Rates Men	New Rates Men	Percentage Increase
25.	$218	$365	67%
30	265	424	60%
35	323	491	52%
40	393	569	45%
45	478	660	38%
50	582	765	31%
55	708	887	25%
60	861	1,028	19%

If your Pension Plan is underwritten by the Government Annuities Branch, decisions ranging from company policy to details of administration must now be made. In essence the transition must be effected without upsetting the good employee-relations your Plan encourages and with as little increase in costs as possible.

Now, while making the necessary adjustments, is also an opportune time to review all aspects of your Plan to make certain it is meeting your needs adequately.

An experienced and independent consultant can give you the unbiased assistance you require.

Copies of this series of advertisements will be mailed on request.

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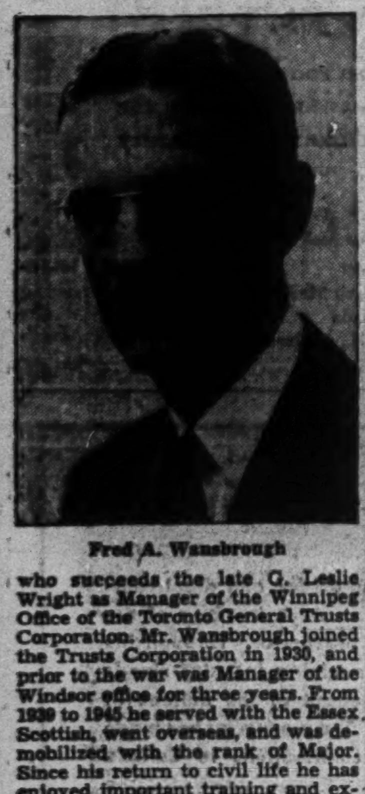
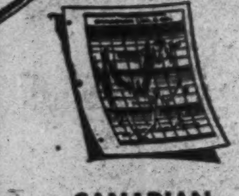
INDEPENDENT *consultants in the development, installation and administration of employee benefit plans.*

NEW MANAGER



Fred A. Wansbrough

who succeeds the late G. Leslie Wright as Manager of the Winnipeg Office of the Toronto General Trusts Corporation. Mr. Wansbrough joined the Trusts Corporation in 1930, and prior to the war was Manager of the Windsor office for three years. From 1939 to 1945 he served with the Essex Scottish, went overseas, and was demobilized with the rank of Major. Since his return to civil life he has enjoyed important training and experience at the Head Office of the Corporation in the administration of estates and trusts. He is a graduate of Toronto University. *



CANADIAN TREMBOLGRAPHS

THE INVESTORS FINANCIAL SERVICE in READY REFERENCE FORM

Thirty items of analytical information in graphic and tabular form on more than 180 Canadian Corporate Securities.

Write for Descriptive Folder

Bolton, Tremblay & Company

Investment Consultants

266 St. James St. W. MONTREAL

Industrial Growth in Canada

Continued industrial expansion for the Greater Toronto area is indicated in the following eight new plants or extension projects reported by Toronto Industrial Commission:

Taymouth

Taymouth Industries, Toronto, year-old subsidiary of Astral Equipment, Glasgow, buys nine-acre Queen Elizabeth Way vacant property in suburban Etobicoke tp.; plans building factory to make lightweight (aluminum) electric refrigerator. The unit, weighing 50 lb., has 1½-cu. ft. capacity for special application in apartments, summer homes, offices and places where portability is an advantage. Based on a Swiss patent under which the unit has been in production for the British market, the cooling unit uses the absorption principle, has no motor or other moving parts, is said to promise silent operation and minimum servicing. It has been redesigned for the Canadian market.

• • •

Cummings

Charles C. Cummings & Co., Toronto (tonics, ointments, tablets, dentifrices) plans one-story concrete block addition at rear of plant established last fall at 2107 Dundas St. W. The expansion, scheduled for summer completion will permit segregation of manufacturing and finishing operations (the latter includes filling, labeling, bottling, wrapping, packaging, shipping).

• • •

Cooper Machine

Cooper Machine Co., new company formed from reorganization of Ward, Cooper & Appleton Ltd., Toronto, erects pair of one-story concrete block and brick factory buildings at 27-9 Stafford St., to make oil burners and other lines now under development. Summer completion. General machine shop and maintenance work also will be undertaken.

• • •

All-weld Co.

All-weld Co., Toronto, erects one-story steel, block and brick plant at 24 Carlaw Ave., will move from 82 Chestnut St. on completion early summer. It will provide double the working area now available. All-weld makes a wide range of ammonia receivers, tanks, condensers, pipe coils and brine coolers for refrigeration and other industries; does welding repair and maintenance work on industrial equipment generally.

• • •

Eclipse Pen

Eclipse Fountain Pen & Pencil, Toronto, formerly 720 Bathurst St., takes over purchased premises at 40 Kendal Ave., near Davenport Rd., 18,000 sq. ft., two stories, steel and brick. Some new machinery, much of it designed and built on custom order is being installed. President and general manager is Joseph Tully, Sr. Eclipse has been manufacturing in Toronto for 23 years.

• • •

Maple Leaf Mill.

Maple Leaf Milling completing $750,000 modernization and expansion program at West Toronto plant. Additional space provided by two new packing and storage units will allow for improved production facilities in the main plant. A third building, for research, has been started. This, to be two stories and part basement, steel and brick, will house pilot plant and laboratories; will feature 60-cycle power for fluorescent lighting and laboratory equipment, special air-conditioning with forced ventilation and air cleaners.

• • •

Candn. Alumatone

Canadian Alumatone Corp., recently organized Toronto affiliate of Alumatone Corp., Los Angeles, leases space at 1167A Lakeshore Rd., and establishes head office with Frank T. Ross & Sons, 372 Bay St., for direction of domestic sales and distribution. Canadian Alumatone, now completing the setting up of operations, has started production of aluminum, gold and other metallic finishes for the industrial and automotive field. Five lines of aluminum paints to be produced will include high heat resistant, quick drying, interior, exterior and asphaltum types. A special silver finish featuring high lustre also will be made. Patented stabilizers and fine "leafing" qualities are said to assure unusual durability.

• • •

Candn. Foundry

Canadian Foundry Supplies & Equipment, Toronto, buys 28,000-sq.-ft. plant in suburban Mimico, doubling space in present in-city plant at 37 Niagara St. Features are 25-ft. ceiling height; CNR siding. Company produces compounds, oils, facings, washes, plastic firebrick, high temperature cement and monolithic linings used in foundry operations; also represents 30 companies for Canadian distribution of foundry machines and equipment.

Chenaux Power Project Begun By Ont. Hydro

Ontario's expanding Hydro-Electric Power Commission this week started construction of another new and major power development project—its projected $25 millions, 119,000 kilowatt, 160,000 horsepower dam and plant at Chenaux, Ottawa River, 16 miles northerly of Renfrew, Ont.

Six of eight proposed 20,000-horsepower generators will be installed in the plant as now ordered. Completion is scheduled for about 2½ years hence, or about fall of 1950.

General construction contract was awarded last week to a new firm, Pentagon Construction, headed by C. H. Gordon, Montreal Builders' Exchange president.

GRAND CHIBOUGAMAU MINES secured some gold showings in drilling No. 4 group of claims at Scott Lake, Chibougamau district, Que., last year. An option on the adjoining L'Italien property was dropped after drilling failed to show continuity of Machin vein. Current assets were $110,164 and liabilities $71 at Dec. 31.

MOSS, LAWSON & CO.

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The supplying of clear, cool drinking water calls for serious thought. Your choice of water-cooling equipment should be made only after thorough investigation and tests.

Not everyone has research and testing facilities—but you can get the story of dependable, low-cost water cooling from the folder "COLD FACTS ON COOL WATER."

This informative folder describes the 5-year factory-user replacement warranty with exclusive CORDLEY features on hermetic models ... pressure and bottle-type water coolers made by CORDLEY, who have specialized in quality drinking water equipment since 1889. Write now for your FREE copy of "COLD FACTS ON COOL WATER" to:

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51 St. Paul St. W., Montreal

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Northern Electric Company Limited
1620 Notre Dame W., Montreal

Cordley NEW YORK

Automatic Electric Water Coolers

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ZELLER'S LTD. net profit for the year ended Jan. 31, 1948 was up 30.6%. Sales of $16,949,232 were up 22%. Operating costs amounted to $15,074,433 as compared with $12,407,279.

Opening of two new stores late in the year, plus enlargement of four stores previously in operation and a complete year of operation of the store in Quebec city, which opened in April 1946, contributed substantially to the year's increase in sales, the annual report states. Other factors were a freer supply of some lines of merchandise and higher price ranges. In the company's 16-years, the average annual volume of sales per store has risen from $198,978 to $591,395.

New stores were opened in Cornwall and Chatham, Ont. towards the end of the year and sales of both these units have exceeded expectations, it is said. In addition remodelling plans were carried out in the Barrie and Oshawa stores. Two other stores at Ottawa and Lindsay were to some extent modernized. As a result some 34,000 sq. ft. of selling space was added to the chain during the past year. A favorable lease was obtained on premises adjoining the company's Calgary property. Remodelling and extending of these premises were commenced early in Feb. 1948. It is expected a new store will be opened on this site late in the current year. Present plans do not provide for opening any further stores during the current year, but negotiations now being carried on may alter this position.

INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
	$	$
Sales	16,949,232	13,893,301
Operating profit	1,794,618	1,424,567
Less: Deprec.	262,946	215,683
Mtge. & deb. int.	......	12,874
Prof. share. plan	75,000	......
Prov. for taxes	645,000	590,000
Net profit	791,672	606,010
Less: 6% pref. divs.	60,000	60,000
5% pref. divs.	50,000	50,000
Common divs.	187,500	156,250
Surplus for year	494,172	339,760
Earnings per Share and Dividend Record:		
Preferred	$9.90	$7.58
Paid, 6% pref.	1.50	1.50
Paid, 5% pref.	1.25	1.25
Common	5.45	3.97
Paid	1.25+0.25	1.00+0.25

CONDENSED CONS. BALANCE SHEET

As at Jan. 31:	1948	1947
Cash & Dom. bds.	$1,134,717	$984,413
Life ins. c.s.v.	30,700	28,600
Accts. rec.	18,620	21,017
Inventories	1,537,824	1,002,918
Total curr. assets	2,721,861	2,036,948
Prep. exp., etc.§	82,489	81,349
Pf. stock purch. fund.	50,000	50,000
Misc. assets▲	301,691	402,245
Fixed assets*	3,428,464	3,263,568
Total assets	6,584,505	5,834,110
Accts. & tax pay.	936,226	992,497
Prof. share. res.	75,000	......
Total curr. liab.	1,011,226	992,497
Pref. stock purch. res.	50,000	50,000
Capital stock	2,625,000	2,625,000
Earned surplus▲	2,898,279	2,166,613
*After depr. of	2,241,369	1,975,566
▲Inc. ref. EPT	219,843	310,166
§Incl. in curr. assets in co's. report.		
Working capital	1,710,635	1,044,451

INVESTMENT FOUNDATION LTD. net profit for the year ended March 31, 1948 was $102,382 ($108,500). Income on company investments showed a small reduction and expenses were somewhat higher. On basis of prices current as at close of business March 31, 1948, the market value of company's holdings showed a depreciation of $214,483 from book value. Liquidating value of the common shares was $13.65 ($15.25).

Stock exchange prices for securities continued to ease off as buying power generally is limited, due in part to high income taxes and largely to the uncertain international situation, it is stated in the annual report. During year 727 shares of company's outstanding preferred stock was purchased and cancelled.

INCOME ACCOUNT

Years Ended Mar. 31:	1948	1947
Revenue	$124,934	$126,185
Less: Gen. exps., taxes, etc.	22,194*	17,460
Inc. tax res.	358	225
Net profit	102,382	108,500
Less: Pref. divds.	74,840	76,320
Com. divds.	24,500	24,500
Surplus for year	3,042	7,680
Earnings per Share and Dividend Record:		
Pref.: Earned	$4.16	$4.29
Paid	3.00	3.00
Com.: Earned	0.39	0.46
Paid	0.35	0.35

CONDENSED BALANCE SHEET

As at Mar. 31:	1948	1947
Cash	$13,193	$23,571
Accts. rec., etc.	17,220	14,289
Investments▲	2,396,071	2,565,718
Furn. & fixt.	1	1
Total assets	2,428,485	2,603,579
Bank loan	......	40,000
Accts., tax., etc., pay.	24,463	19,632
Invest. reserve	4,488	111,091
Capital stock	2,279,100	2,315,450
Surplus	120,434	117,406
▲Market value	2,179,100	2,354,700

CANADA & DOMINION SUGAR CO. 1947 net profit was up 16.5%. Included is income from investments of $243,977. Provision for possible inventory losses has been set up in the amount of $200,000.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings*	$2,492,931	$2,194,939
Less: Deprec.	394,092	334,152
Invent. res.	200,000	......
Income tax	788,000	800,000
Add: Bond sale	188,302	54,247
Net profit	1,299,141	1,115,034
Less: Dividends	1,200,000	1,200,000
Surplus for year	99,141	▪84,966
*Incl. other inc. of	243,977	295,746
▪Deficit.		
Earnings per Share and Dividend Record:		
Common: Earned	$0.87	$0.74
Paid	0.80	0.80

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$363,862	$255,284
Invest. in bonds▲	8,203,386	9,081,914
Accts. rec.	1,714,862	1,651,359
Inventories	7,900,126	7,682,189
Total curr. assets	18,187,236	18,670,746
Misc. assets	269,919	106,861
Fixed assets*	4,079,174	4,105,185
Total assets	22,536,329	22,942,792
Total curr. liab.	1,950,255	2,455,858
Reserves	2,875,000	2,875,000
Capital stock	14,000,000	14,000,000
Distrib. surplus	1,000,000	1,000,000
Earned surplus	2,711,074	2,611,934
*After depr.	5,705,118	5,417,302
▲Market value	8,442,200	9,489,500
Working capital	16,236,981	16,214,888

Highlights from the

ANNUAL REPORT

Year ended January 31, 1948

of

ZELLER'S LIMITED

SALES — Amounting to $16,949,232 show an increase of 22%. On a comparative basis, omitting enlarged and new stores opened during the year, the increase was 17%.

PROFITS — After provision for Income and Excess Profits Taxes in the amount of $645,000, Net Profit for the year amounted to $791,671. This is an increase of slightly over 20%.

COMMON SHARE EARNINGS — Amounted to $5.45 per share as compared with $4.38 per share for the previous year.

DIVIDENDS — Regular Dividends were paid on the Preferred Stock. Payment of $1.50 per share on the Common Stock was 25c higher than in the previous year.

EXPANSION — New stores were opened in Cornwall and Chatham, Ontario, late in the year. Four other stores were enlarged and modernized. Construction is now proceeding for the opening of a new store in Calgary, Alberta.

SUMMARY OF OPERATIONS — 16 YEAR PERIOD

Year ended Jan. 31	Stores Operating End of Year	Net Sales	Net Profit after Taxes
1933	13	$ 2,292,938	$ 29,388*
1936	18	4,157,461	80,723
1939	24	5,083,603	185,711
1942	27	9,621,971	382,367
1945	27	10,865,015	509,022
1948	30	16,949,232	791,671

*Deficit.

A copy of the Annual Report giving full details of the Company's operations will be gladly sent on request.

ZELLER'S LIMITED

Retailers to thrifty Canadians

HEAD OFFICE: 1253 McGILL COLLEGE AVE., MONTREAL

MONTREAL TRAMWAYS COMPANY

REPORT OF THE PRESIDENT AND DIRECTORS

For the Year Ended 31st December, 1947

TO THE SHAREHOLDERS:

Your Directors herewith submit their Annual Report for the year 1947:

Revenue:			
Operating Revenue—Tramways		$18,835,917.22	
" " Autobus		5,627,991.28	
			$24,463,908.50
Expenses:			
Tramways			
Operating Expenses	$11,633,234.58		
Maintenance and Renewals	3,444,509.91		
		$15,077,744.49	
Autobus			
Operating Expenses and Maintenance	$ 4,942,354.10		
Depreciation	919,719.36		
		5,862 073.46	
Taxes (other than Income Taxes)		878,812.23	
City of Montreal Rental		125,000.00	
			21,943,630.18
Net Operating Revenue			$ 2,520,278.32
Other Income:			
Interest on Securities, Call Loans, etc.		$ 135,175.75	
Dividends		107,795.00	
			242,970.75
			$ 2,763,249.07
Deductions:			
Interest on Bonds		$ 1,848,792.67	
Exchange		13,268.95	
Amortization of Bond Discount and Expenses		10,942.00	
			1,873,003.62
			$ 890,245.45
Provision for Income and Excess Profits Taxes			48,787.89
Net Revenue transferred to Surplus			$ 841,457.56

SURPLUS AS AT 31st DECEMBER, 1947

Balance at beginning of period		$ 2,346 562.29
Net Revenue as per above statement		841,457.56
Transferred from Contingent Reserve		309,000.00
		$ 3,497,019.85
Deduct:		
Expenses of Redemption First and Refunding Mortgage 5% Gold Bonds	$ 219,703.27	
Transferred to Depreciation Reserve	1,000,000.00	
		1,219,703.27
Balance at end of period		$ 2,277,316.58

FINANCIAL:

Under the Operating Contract with the City of Montreal the Company is entitled to receive out of annual gross revenues, after provision for operating expenses and taxes and for maintenance and renewals allowances, a return of 6% on the Capital value of its system, plus a financing allowance of $181,431.47.

For the year 1947 gross revenues fell short by the sum of $456,812.74, in providing the return on Capital Value to which the Company was entitled, and were insufficient to make any provision for the financing allowance. The resulting situation is reflected in the "Note" which appears at the foot of the General Balance Sheet.

During the year the Company redeemed its 5% First Mortgage Bonds outstanding to the principal amount of $15,500,000 and issued $14,800,000 of new First (Closed) Mortgage Bonds consisting of $3,500,000 2¼% Serial Bonds maturing $700,000 annually July 1, 1948 to 1952 inclusive, and $11,300,000 3% Bonds maturing January 1st, 1953.

The Bonds thus redeemed were payable, as to both the principal and interest, in United States funds, English sterling or Canadian funds at the holder's option.

The new Bonds are payable, as to principal and interest, in Canadian funds only.

In the year 1947 as in previous years since January 15th, 1941, no dividend was paid on the shares of the Company.

FARE TARIFFS AND SPECIAL LEGISLATION:

On January 30th, 1948, the Montreal Tramways Commission established new tariffs of fares for passengers carried by the Company, the coming into force of which has been suspended by an Act of the Quebec Legislature, sanctioned February 6th, 1948. This Act amends the contract between the City of Montreal and the Company and provides for the appointment of three arbitrators to hear and finally decide on any appeal from a decision of the Montreal Tramways Commission increasing the tariffs. Appeals have been taken by the City of Montreal and other municipalities from the Commission's decision and the Company has entered a cross appeal. The arbitrators have been appointed and the hearing of the appeals is expected to commence shortly. The Act also directs the arbitrators as follows: "To make a careful study of the Montreal Tramways Company since 1911 with a view to an appropriate, fair and final settlement of this question and shall furnish the Lieutenant-Governor in Council with a report of their findings and suggestions on the subject."

INCOME TAXES:

The matter of the Company's Income Tax and Excess Profits Tax liability to which reference was made in the annual reports for 1943, 1944, 1945 and 1946, is still as stated in the 1946 annual report. The Company is presently awaiting the issue of assessments for the year 1942 and subsequent years.

The contract between the City of Montreal and the Company provides that the Company's annual operating allowance shall include "all taxes levied against the Company or its property." The amendments to the contract made by the Act of the Quebec Legislature sanctioned February 6th, 1948, above referred to, include a provision worded as follows: "The word 'taxes' shall not be interpreted as including or having already included income tax or taxes payable by the Company on its revenue, profits or surplus profits." The Act states that it shall be in effect as from November 15th, 1947.

Taking this provision as its reason for doing so, the Montreal Tramways Commission has disallowed as operating expenses of the Company for 1947, an amount of $48,787.89, as provision for 1947 income tax, which disallowance the Company has disputed.

OPERATING:

The number of revenue passengers carried during the year was 398,349,773, an increase of 1,869,284 over the previous year, and the largest number carried by the Company in any one year.

The number of miles operated by the various vehicles is as follows:

Tramways	35,617,890
Buses	15,299,537
Trolley Buses	329,977
Total	51,247,404 Miles

TAXES, SNOW REMOVAL AND CITY RENTAL:

Included in Operating Costs for the year are the following:

City of Montreal:	
Snow Removal, Taxes and Annual Rental	$ 1,642,102.92
Other Municipalities:	
Snow Removal and Taxes	65,990.73
Federal Government:	
Income Tax, Gasoline Tax, etc.	77,153.88
Provincial Government:	
Taxes, Gasoline, etc.	758,834.08
	$ 2,544,081.61

From January 28th, 1918 (the date of the present contract between the Company and the City of Montreal to December 31st, 1947, the Company has paid the following amounts to the City of Montreal:

On account of Snow Removal	$ 6,859,886.70	
On acount of Annual Rental	11,986,711.60	
On account of Taxes	13,460,790.20	
		$32,307,388.50
The Company has also expended for Maintenance of Street Pavement, in accordance with the provisions of the above-mentioned contract, a further sum of		4,733 976.04
		$37,041,364.54

CAPITAL ACCOUNT:

The total amount expended on Capital Account during the year was $3,624,864.02.

The principal items were:

Track and Electric Construction	$ 173,045.85
Buildings: Villeray Garage, Cremazie Shop	831,223.88
90 Gas Buses	1,539,479.77
40 Trolley Buses	856,484.47

LABOUR RELATIONS:

A Labour Agreement was entered into with The Canadian Brotherhood of Railway Employees and Other Transport Workers which remains in effect until July 1st, 1948. As a result of this agreement wages were increased approximately 9%.

ROLLING STOCK:

Ninety (90) new Gas Buses and Forty (40) new Trolley Coaches were received during the year.

Two new wing plows were built to replace two of an obsolete type.

All equipment has been maintained in good condition.

TRACK:

TANGENT TRACK: Extension of Delorimier, from Belanger to Bon-Air and Loop at City limits, Back River Line ... 0.99 miles
Renewals at various points throughout the City 4.92 miles
Renewals of intersection track work throughout the City ... 0.74 miles

SWITCHES: 2 Electric Track Switches were added during the year. Total is now ... 78

BUILDINGS:

The new Villeray Garage, for the housing and operation of 120 buses, was completed and put into service in September, 1947.

The construction of the new Cremazie Bus Repair Shop was substantially advanced during the year, but will not be ready for occupation before June, 1948. The completion of this shop is badly needed to relieve the overcrowded conditions in the old repair shop at St. Henry.

A new heating plant has been built at St. Denis Car Barn to replace two wornout plants installed in 1897 and 1905.

EXTENSION OF ROUTES:

CAR ROUTES: The Delorimier car line was extended northward from Belanger Street to a loop at Bon-Air, to serve a rapidly growing population in that district and to eliminate the wyeing of cars at Belanger.
Shuttle service between Cote des Neiges and Hillsdale Loop on Van Horne Avenue has been extended east to the Mile End Loop. This has resulted in greatly improved regularity of the Van Horne line west of Park Avenue.

BUS ROUTES: A new bus service was established on Papineau Avenue to connect Belanger Street with Perras Boulevard, during the morning and afternoon rush hours. Round trip mileage—6.40 miles.
New 'bus route established in Val Royal—1.64 miles for round trip.
St. Michel Bus Route extended to 38th Avenue—.70 miles for round trip.
Pie IX Route extended from Beaubien to Belanger—.78 miles for round trip.
In addition, the hours of service have been extended on:
St. Hubert,
Rosemount,
Broadway,
Terrebonne.
The Beaubien Street Bus Route is now being operated with 22 trolley coaches, with extra gas-bus operation, morning and evening, from Beaubien to Angus Shops.

TRAFFIC CONGESTION:

Conditions on our main lines, and especially in the central area, are worse than ever and have resulted in the further slowing down of all movement, thereby increasing the cost of our operations.

Your Directors wish to record their deep regret on the death of Mr. Gordon W. MacDougall, K.C., a Director of this Company for twenty-three years. Mr. MacDougall has served on the Executive Committee since 1939, and his wide experience, his deep knowledge of law was of great assistance to your Company.

On September 25th, 1947, Mr. Wm. F. Macklaier, K.C., was elected a Member of the Board of Directors to fill the vacancy caused by Mr. MacDougall's death.

On February 18th, 1948, your Directors received and at their meeting on February 20th accepted, the resignation of Mr. George H. Montgomery, K.C., as Vice-President and a Director of the Company, and that of Mr. Severe Godin as a Director. Both Messrs. Montgomery and Godin were members of the Executive Committee and each of them gave long and valued service to your Company, the former having been a member of its Board for 24 years and the latter for 18 years.

Messrs. George C. McDonald, C.A., and J. Arthur Savoie, N.P., were elected members of the Board of Directors to succeed Messrs. Montgomery and Godin.

The Directors wish to place on record their appreciation of the faithful and efficient service of the Officers and Employees of the Company.

Submitted on behalf of the Board of Directors.

R. N. WATT
President.

GENERAL BALANCE SHEET
As at December 31st, 1947

ASSETS

Current Assets:			
Cash and Demand Deposits	$ 531,203.89		
Call Loans	4,325,000.00		
		$ 4,856,203.89	
Marketable Securities, at cost (Market Value December 31, 1947, $2,239,118.00)		2,179,137.50	
Accounts Receivable		69,835.16	
Inventories of track and overhead materials, Street Car and Autobus repair parts and supplies, etc., at cost (as determined and certified to by Officials of the Company)		1,405,041.00	
Accrued Interest Receivable		40,741.12	
			$ 8,550,958.67
Investments:			
Company's own Bonds (Par Value $73,200.00)		$ 46,673.51	
Securities of Affiliates		1,325,248.33	
Securities held for account of Guarantee Fund (Market Value December 31, 1947; $518,362.00)		500,000.00	
Securities held for account of Autobus Depreciation, Financing and Other Reserves (Market Value December 31, 1947 $3,822,312.00)		3,650,000.00	
			5,521,921.84
Fixed Assets:			
Property, Plant and Equipment		$57,391,028.16	
Less Reserves:			
Maintenance and Renewals	$ 317,835.36		
Depreciation, General	11,000,000.00		
Depreciation, Autobus	1,718,015.25	13,035,870.61	
			44,355,157.55
Deferred Charges:			
Prepaid Taxes		$ 4,380.55	
Uniforms—amount applicable 1948 operations		32,157.93	
Prepaid Insurance, Rents, etc.		28,978.54	
Unamortized Bond Discount and Expenses		79,324.00	
			144,841.02
Other Assets:			
Operators' Ticket Advance Account		$ 65,000.00	
Refundable portion of Dominion of Canada Excess Profits Tax		291,884.49	
			356,884.49

Note:

Balances payable, when earned, under the Operating Contract with the City of Montreal:

(a) To the Company:	
*For Return on Capital Value	$ 456,812.74
For Financing Allowance	844,382.05
For Amounts paid in the years 1937 and 1938 to the City of Montreal in virtue of Provincial Government Acts sanctioned May 20, 1937 and April 12, 1938	1,250,000.00
	$2,551,194.79

*Subject to a disputed disallowance by Montreal Tramways Commission of $48,787.89 as 1947 Income Tax.

(b) To the City of Montreal:	
For Rentals to December 31st, 1947	$ 4,205,982.45
Less Amounts paid as referred to above	1,250,000.00
	$ 2,955,982.45

$59 129,763.57

The City of Montreal, in appeals pending before the Provincial Transportation and Communications Board, has protested the allocation of earnings under the Operating Contract by the Montreal Tramways Commission. On March 15th, 1948, the City of Montreal took action against the Company in the Superior Court for $4,665,613.90 claiming that such amount is due it as arrears of rental and accrued interest, which action the Company is contesting.

Verified in accordance with our Report of this date.

SHARP, MILNE & CO., C.A.,
Auditors.

Montreal, March 23rd, 1948.

LIABILITIES, CAPITAL STOCK AND SURPLUS

Current Liabilities:			
Accounts Payable		$ 845,767.46	
Wages		456,260.38	
Provision for Income and Excess Profits Taxes, less amounts paid on account		2,274,820.35	
Other Taxes		125,287.98	
Bond Interest		322,962.88	
Provision for Claims for Injuries and Damages		775,000.00	
Montreal Tramways Mutual Benefit Association		680,512.86	
Employees' Security Deposits		38,933.98	
			$ 5,519,546.09
Funded Debt:			
First (Closed) Mortgage Bonds (Payable in Canadian currency)			
2¼% Serial Bonds due July 1, 1948 to 1952 incl.	$ 3,500,000.00		
3% Bonds due January 1, 1953	11,300,000.00		
		$14,800,000.00	
General Mortgage Sinking Fund Bonds due April 1, 1955			
Series "A" (Payable at holder's option in Canadian or U.S. currency or in sterling)			
5%	$ 2,654,500.00		
4½%	266,400.00		
	$ 2,920,900.00		
Series "B" (Payable in Canadian currency)			
5%	$21,082,900.00		
4½%	1,834,100.00		
	$22,917,000.00		
Bonds not yet presented for exchange			
5%	$ 206,300.00		
4½%	3,200.00		
	$ 209,500.00		
		26,047,400.00	
			40,847,400.00
Reserves (In accordance with provisions of Contract):			
Reserves, including refundable portion of Dominion of Canada Excess Profits Tax			402,842.88
Reserves (For Company's Account):			
Reserve for Financing		$ 2,288,641.62	
Reserve for Redemption of Unpresented Tickets		500,000.00	
Reserve for Exchange on U. S. Dollars		209,000.00	
Other Reserves		85,016.40	
			3,082,658.02
Capital Stock:			
70,000 shares of $100.00 par value			7,000,000.00
Surplus			2,277,316.58
			$59,129,763.57

Signed on behalf of the Directors:
C. E. Gravel, R. N. Watt } Directors.

Certified Correct:
A. A. Boire,
Chief Accountant,
Montreal, March 23rd, 1948.

Montreal Tramways Company,
Montreal, Quebec.

We have examined the Balance Sheet of Montreal Tramways Company as at December 31st, 1947, and the related Statements of Revenue and Expenses and Surplus for the year 1947, have reviewed the system of internal control and the accounting procedures of the Company, and without making a detailed audit of the transactions, have examined or tested accounting records of the Company and other supporting evidence, by methods and to the extent we deemed appropriate. Our examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which we considered necessary.

In our opinion, the accompanying Balance Sheet, with notes appended thereto, and related Statements of Revenue and Expenses and of Surplus present fairly the position of Montreal Tramways Company at December 31st, 1947, and the results of the operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

(Signed) SHARP, MILNE & CO., C.A.,
Auditors.

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Imperial's Shareholders Approve Sale Pete Stock

"We estimate, I think conservatively, that over the next four years Leduc will replace $125 millions to $150 millions worth of crude which would otherwise have to be bought with U. S. dollars," H. H. Hewetson, President of Imperial Oil Ltd., told shareholders at their anual meeting last week. "It is reasonable to hope that there will be other oil fields discovered in the West and of course it is just simple mathematics that the more effort that goes into the search, the sooner this hope should be realized.

"The job is such a big one that as many interests as possible should be encouraged to tackle it and this requires sound and stable regulations," Mr. Hewetson continued. "Uncertainty is destructive of confidence and confidence is an indispensable need in attracting new capital."

Shareholders approved the company's proposal to make approximately $80 millions of additional capital available for Canadian developments through the sale of the company's holdings of about 8,725,000 shares in International Petroleum Co. The offering is to be made on a pro rata basis to Imperial's stockholders at a price of $9.20 a share (U. S. funds) payable in full or at the purchaser's option 25% cash and the balance in promissory notes bearing interest at 2% and maturing 25% each of the three succeeding years.

Shareholders also confirmed the Board's action in issuing $6 millions of serial debentures on April 15 in addition to the $24 millions sold last October.

The Leduc Development

In reviewing the successful development during the past year at Leduc, Mr. Hewetson pointed out that at Leduc and to the north at Woodbend the company has 44 producing wells, one gas well and 18 wells drilling; that Leduc's production is about 5,200 barrels per day as compared with 175 barrels a day a year ago; and that six drilling rigs are operating on "wildcat" or untested locations.

Pointing out that "it is an unhappy fact that a large part of Canada's prairie area has in recent years been remote from adequate sources of crude oil supply," Mr. Hewetson stated: "As a result heavy transport costs are involved which make laid-down costs for crude oil higher than in other areas of Canada. It is our hope that the next few years will see a development that will remove this handicap which is of such concern, particularly to our prairie farmers. That is one of the national objectives we have in mind in our vigorous exploration program; this is the reason why it is to the advantage of the people of the prairies to take all appropriate steps to encourage the risky business of searching for oil. This encouragement must be an assurance that those who find oil have an opportunity for reward commensurate with the risks they run; there must be stability of regulations if the risk money is not to be frightened away."

Edmonton Refinery Progress

Dealing with the company's progress during the past year, Mr. Hewetson stated that eight miles of pipe line from Leduc to Nisku, completed during the year, will be extended 15 miles to Edmonton. The Edmonton refinery, purchased and moved from Whitehorse during the year, will begin partial operation in about two months and by the end of the year should be producing 6,000 barrels daily. The company has two more tanker ships, each with a carrying capacity of 145,000 barrels; a new canal-size tanker has left the shipyards at Collingwood; a second canal-size tanker has completed its trial run; a third, which will be the largest Canadian tanker on the Great Lakes, will soon be launched. Imperial's great catalytic cracking unit at Montreal East is nearing completion. Marketing facilities have been improved and enlarged.

Referring to earnings, Mr. Hewetson states, "While our earnings for 1947 bear relationship to the greatly increased capital employed and the increased volume of sales, they do not represent all that should be expected. Although the comparison is satisfactory in terms of the dollars of 1937-41, the actual purchasing power in terms of 1947 dollars is only in the neighborhood of 54%. This means that earnings should be larger to offset the added costs brought about by the depreciated dollar. I hope that our 1948 operations will in some degree bring this about."

M. L. Haider, general manager of the Producing Department, was elected a director. F. G. Hall, a director, was elected vice-president. Other directors and officers were re-elected.

F. E. ARMSTRONG

of the Kendall Co. (Canada), has been elected president of the Toronto Chapter of the National Office Management Association.

Dominion Corset Co. Expands Subsidiary

MONTREAL (Staff) — Dominion Corset Co. is planning a substantial increase in production facilities of its wholly owned U. S. subsidiary, Henry Schottenfels Inc. of West New York, N.J., Pierre Amyot, managing director has announced.

Construction is expected to start soon on an extension to the plant, which will increase production by more than 100%. Total production now goes to Sears Roebuck & Co. Cost of the project is estimated at $75,000. Orders on hand for 1948 delivery total about $1 million, it is stated.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

GREAT LAKES PAPER CO. 1947 net profit was up 69.8%. Net sales totaled $15,233,068 as against $11,497,212 for 1946. Mill properties operated at capacity throughout 1947. Standard newsprint production of 123,690 tons and strong unbleached sulphite pulp of 49,533 AD (air-dry) tons, compare with 119,450 tons and 45,814 AD tons, respectively, for 1946. Sufficient manpower in 1947-48 season enabled pulpwood stocks to be re-instated to an adequate level, the annual report states.

A strong demand continues for the company's newsprint and pulp production, President W. Earl Rowe states. Increases in sale prices became effective Jan. 1, 1948, but on the other hand, production and transportation cost continue to increase substantially, Mr. Rowe says. The outlook for 1948 would appear to indicate continuance of satisfactory net earnings, it is stated. The current program of mill expansion is designed to substantially increase production.

Years Ended Dec. 31:	1947	1948
	$	$
Net sales	15,233,068	11,497,212
Net oper. profit	5,335,435	3,837,445
Add: Inv. int.	13,271	1,098
Less: Depletion	194,614	212,107
Depreciation	809,006	780,128
Bond interest	183,040	244,027
Pension fund	144,578	......
Invent. res.	200,000	......
Tax prov.	2,030,000	1,550,000
Add: Prof. on assets	17,691	10,866
Net profit	1,805,159	1,063,147
Less: A & B divs.	368,650	370,000
Com. divs.	160,000	......
Surplus for year	1,276,509	693,147
Times Bond Interest Earned:		
Before deprec.	28.16	14.86
After deprec.	23.74	11.06
Earnings per Share and Dividend Record:		
Class A & B	$9.15	$5.31
Cl. A: Paid	2.50	2.50
Cl. B: Paid	1.20	1.20
Common	3.59	1.73
Paid	0.40	....

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$563,839	$1,866,901
Accts. rec.	1,394,921	1,364,534
Woods oper. advs.	3,149,233	2,202,076
Inventories	1,819,350	1,415,809
Total curr. assets	6,927,343	6,849,320
Cash with trustee	1,750,000	......
Ins. dep.§	116,612	101,825
Misc. assets▲	182,534	174,132
Investments	50,001	50,001
Fixed assets*	6,937,454	5,777,689
Timber limits*	3,177,499	3,372,123
Total assets	19,141,443	16,325,090
Accts. & tax pay.	2,265,871	2,114,709
Bd. int. & s. f.	422,167	249,271
Total curr. liab.	2,688,038	2,363,980
First mtge. bds.	5,990,000	4,570,000
Conting. res.	237,289	237,289
Capital stock	7,390,600	7,500,000
Surplus▲	2,835,516	1,653,821
*After depr. of	9,107,856	8,498,629
*After depl. of	994,911	800,287
▲Incl. ref. EPT	12,000	12,000
§Incl. in curr. assets in co's. report.		
Working capital	4,239,305	4,485,340

DISHER STEEL CONSTRUCTION CO. 1947 net profit was double that of 1946 at $77,811 ($37,470). Total volume of business transacted and actual billings for the year increased substantially. Unfinished contracts and new orders on hand are of satisfactory volume, the annual report states.

After net additions to fixed assets of $7,543 for necessary equipment, etc., net current asset position of the company is $179,547 ($140,483).

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$161,977	$99,302
Prof. on asset sold	6,823	......
Less: Deprec.	23,289	20,832
Inc. tax res.	67,700	41,000
Net profit	77,811	37,470
Less: Pref. divd.	34,686	17,343
Surplus for year	43,125	20,127
Earnings per Share and Dividend Record:		
A Preferred	$6.73	$3.24
Paid	1.50+1.50■	1.50
Common	2.69	0.89
None paid.		
■Arrears.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$1,683	$77,692
Accts. rec.	169,505	96,756
Inventories	256,359	148,290
Total curr. assets	427,547	322,738
Misc. assets▲	8,303	5,469
Fixed assets*	66,036	82,810
Goodwill	200,000	200,000
Total assets	701,886	611,017
Bank loan	52,163	70,000
Accts., taxes, etc.	195,837	112,256
Total curr. liab.	248,000	182,256
Pref. red. res.	12,894	12,894
Capital stock	347,802	347,802
Surplus▲	93,190	68,065
*After depr. of	271,106	249,966
▲Incl. ref. EPT	4,336	4,336
Working capital	179,547	140,482

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Now the Grand New 1949 Monarch steps UP . . . Steps into a new class! Here's a *big*, broad, heavy car that looks NEW . . . *looks* new because it *is* completely new! The New Monarch looks DIFFERENT . . . because it has a *completely* NEW body . . . a *bigger* body of most modern construction . . . a ROOMIER body with beautiful, *new-style* lines that will capture your imagination!

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Ride with your Monarch Dealer! Pictures can't convey the *distinction* of this new car . . . neither can *words* give you the THRILL of DRIVING a New Monarch! Go to your Monarch dealer's and *look* at this car that's NEW *through and through* . . . make a date to go for a drive with your Monarch dealer—*then* you'll KNOW that the NEW Monarch is the car you want . . . the car you *must have* to satisfy your pride of ownership!

FORD AND MONARCH DIVISION
FORD MOTOR COMPANY OF CANADA, LIMITED

Ride like a King in a 1949 Monarch

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The Financial Post

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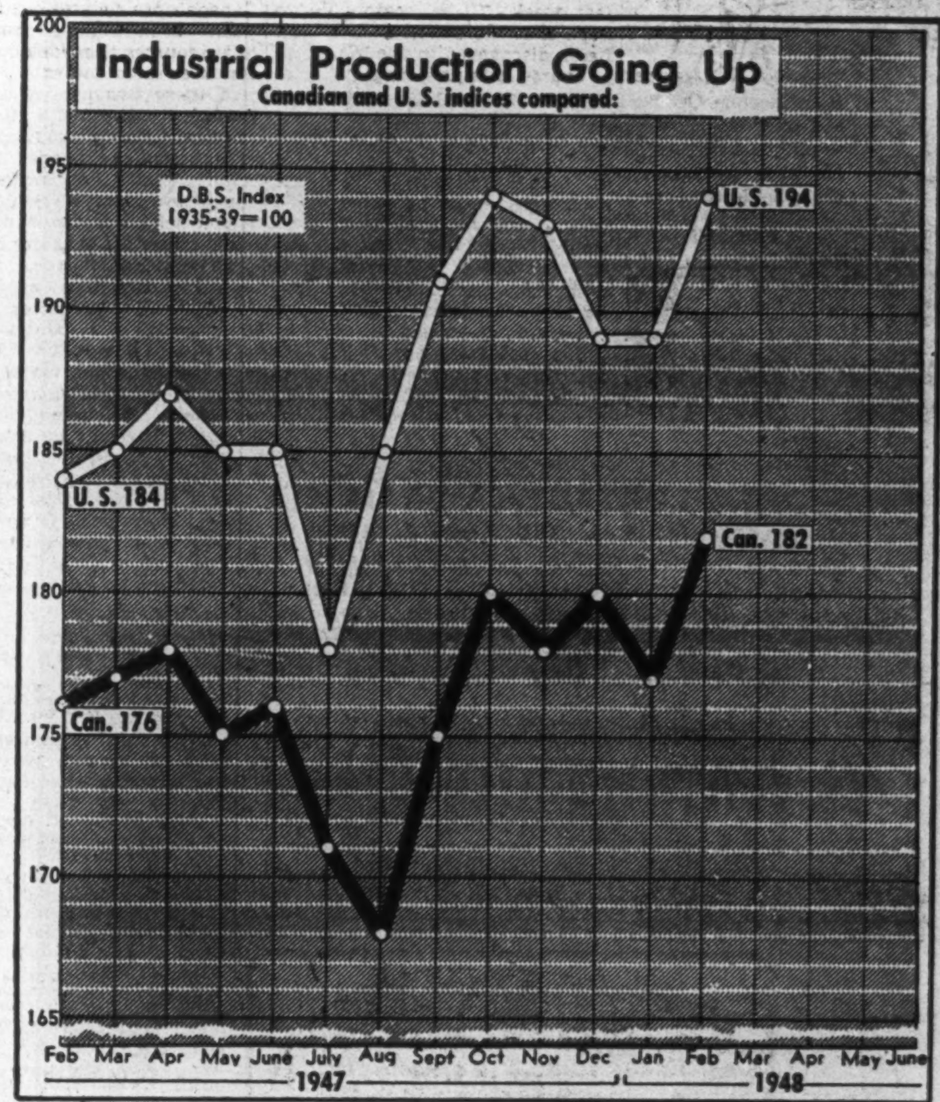
What's Happening to Our Business Boom?

Here's What the Experts See in the Future Now That ERP, U. S. Defence Programs Set



By KENNETH R. WILSON

WASHINGTON (Staff) — What's ahead for business?

A few weeks ago the feeling was pretty general: things were definitely slowing down; the inflationary spiral had begun to level off.

Then came a series of world-shaking events telescoped into a few brief weeks: the Red coup in Czechoslovakia; the grim possibility Italy might go Communist; Congress approval of ERP; the accelerated United States defence program.

Now what's the score? What effect, if any, have or will these epochal events have on the U. S. and Canada? What's the outlook?

Last week, here in the U. S. capital, a group of experts gathered to offer their opinions. The meeting was sponsored by the U. S. Chamber of Commerce.

The panel consisted of Dr. Edwin G. Nourse, chairman of President Truman's Council of Economic Advisers; Banker Alan Temple; two professional economists and a business news columnist.

What's the Score?

With an eye to the close inter-relationship of business conditions in Canada and the United States, this observer brought away the following impressions from the two-and-a-half hour symposium.

1. Business is likely to continue at its present high clip for the balance of 1948, with inflationary and deflationary influences about cancelling out, to create an approximate though uneasy "balance."

2. The major influence on the national economy continues to be the Kremlin, with the next six months the critical period for a decision as to war or peace.

It was indicated that if we could get through the next six months without conflict with Russia, we might look forward to many years of "peace." Balance of view seemed to be that we would get through the year without war but that the influence of Russia would continue to loom large in defence and other spending.

3. The new U. S. defense program and ERP expenditures were rated the major offsetting influences to counter a natural sagging in the postwar inflationary cycle.

Speakers agreed that these programs were postponing the natural return to "normal" and would likely do so for some time to come; probably with far-reaching results in view of the huge impact of the new U. S. defense commitments during the next few years.

4. The obligation of the Treasury to maintain a 2½% "floor" under long-term bonds, was considered a major difficulty in letting normal credit influences serve as a brake on inflationary trends.

5. Great emphasis is placed on the capital goods industries as the ones to watch for evidence of changing business trends. Specifically: machine tool orders, price of steel scrap, capital goods expenditures — in preference to ebb and flow of consumer industry spending and indices.

Business Outlook Favorable

First to kick off the discussion ball was Dr. Nourse. He centred his comment chiefly around the probable impact on business in 1948 of new programs for ERP spending and for enlarged national defense. He put the gross effect of these two items in the form of a paradox: "It appears to me that the effect on the business outlook might reasonably be designated as favorable; the effect on the economic outlook as unfavorable."

In detail: "The European Recovery Plan does not entail a level of exports higher than, or even as high as, that of last year, and actual expenditures under the defense program will be relatively small in the near term. Together, however, they will divert a significant fraction of national product from the domestic civilian market. As I see it, the effects are by no means all on one side of the ledger. To a considerable extent, the two undertakings exert an influence in the same direction; added spending and added priority demands for materials and manpower.

"Nevertheless, I believe there are some notable differences in the ultimate consequences to our economy that may be expected from economic aid to Europe on the one hand and from enlarged military outlays on the other.

"It appears to me to be practically the consensus of most business and much economist thinking, that, in the absence of these foreign aid and defense stimuli, domestic business would have shown a sagging tendency during 1948. It might have gone to the dimensions of a mild recession but presumably would not have got really out of hand in view of several strong underlying or recuperative factors.

"It would tend to defer the process of internal adjustment to the competitive buyers' market which was naturally to be expected as the catching-up stage was completed in more and more industries. It was indicated that the impact would converge on metals, particularly steel; on fuel and power; and on farm products, particularly wheat and livestock products. It might be so severe at key points as to distort operations and have a substantial inflationary effect, particularly if weather were bad, labor stoppages serious, or scrap metal and ore shortages unrelieved.

Fear of Recession Allayed

"With the present crop outlook, with peace — or at least a truce — in the coal fields, with ore movement on the Great Lakes opened a week early, and with price reductions announced at several strategic points, prospects of an arrest of inflation are a little brighter. At the same time, the actual launching of ERP . . . and the unfolding of commitments involving government spend-for military preparedness, fears of recession have been allayed and a general atmosphere of confidence engendered in business circles.

"This generalization is not without qualification.

Thoughtful persons still fear that, as expenditures increase in 1949, 1950 and 1951, inflationary pressures may revive in menacing form, and we might be thrust back into a deficit position and/or disturbing increases of taxation.

"If my appraisal of the present situation is correct, that businessmen in general regard the near-term business outlook as favorable, and if we could assume that the diplomatic and military situation did not get worse and perhaps might grow somewhat better, it would seem reasonable to expect that business prosperity might be well sustained for several years ahead."

Coming to an explanation of his thesis that the "economic" impact of ERP and defense spending might be unfavorable, Dr. Nourse commented:

"Apparently, it will be in the area of supply of materials that the most serious limitation upon maximizing production under this stimulated program is to be anticipated. Opinion differs somewhat as to how obsolete our plant is or how much it has suffered from deferred maintenance and how adequate is financial provision for maintaining the productive capacity needed for the volume and kind of production demanded by the aid and defense programs.

Can't Have Cake . . .

"We can't eat our cake and have it too. Five, ten, or fifteen billion dollars' worth of goods and services a year cannot be withdrawn from our economy during the next few years and still leave the real income of consumers as high as it would otherwise be during this period — except on one assumption. If a substantially enlarged military establishment is a sort of new "white man's burden" that we shall have to carry indefinitely, either alone or as part of U. N., then we may have to revise our estimates of the level of real income that our people may expect as 'maximum purchasing power.'"

In conclusion, Dr. Nourse stressed that foreign aid and defense programs have postponed the day when the U. S. will have to face a return to "free choice" on the part of consumers. "Since these programs inevitably enlarge the flow of monetary purchasing power to an as yet indeterminate extent and reduce the supply of civilian goods in some unknown degree, they cannot help but make more difficult the ultimate attainment of hoped-for equilibrium of a free and well-stocked market."

Banker Temple, vice-president of the National City Bank of New York, described the present outlook as being "not the alternative of depression but a choice between stability and increased inflation."

His conclusion: "The facts at this time do not compel us to the conclusion that a renewed inflationary upsurge is inevitable."

He stressed that it is government's cash disbursements and intake which are the important yardsticks to measure the impact of government operations on the economy. rather than mere budget receipts and expenditure.

In view of the very considerable current interest in this point in Canada his view is of special interest:

"What really matters is how much cash the Government pays out to people and how much it takes in from them. The Government's cash expenditures vary considerably from its budget expenditures. Under conditions of full employment and high income, the Government may show a balanced budget or even a budget deficit and nevertheless have a cash surplus."

Factors in Balance

"There are both deflationary and inflationary influences in the business situation. At the moment they seem to be pretty well balanced. Experience teaches that such a balance is precarious. The projections that can be made on the basis of present facts, however, do not suggest that it will necessarily be upset for some time to come — either by violent inflation or sharp recession. These projections do not support the argument that new interventions or controls are needed.

"They do suggest, obviously, that we conduct our business, governmental and private, with prudence and restraint. We ought to be examining our Federal spending more closely and dealing with it more resolutely than we are, for if we are taking on new obligations we cannot afford to carry on everything we have been doing. The tendency to accept our present volume of expenditure as untouchable is appalling."

Into the comparatively agreeable discussion, came Leo Cherne, executive secretary, Research Institute of America. He had a few explosive bombshells. He stood appalled at the degree to which business and the experts themselves had become complacent at an economy "buttressed by a shower of government checks." He said the new dose of U. S. defense spending (a 66-group air arm) which earlier speakers had taken so easily in their stride, was likely to involve an additional $14 billion annually, over and above the present huge level of defense costs.

Cherne was sorry "that the ERP vote passed as easily as it did." Americans, in his view don't begin to realize its implications. We are now at the peak of our success. That is, we've reached the psychological peak of world reaction, but we haven't begun to feel the real impact. A year from now we'll be wallowing in the grim reality of "delivery" and of painful choices.

How About Retreat?

"The donor is never popular. Will we want to retreat next year when the brunt of criticism is on us, but when the real facts point to an increase not a diminution in our giving?"

Mr. Cherne thought the present period of apparent "balance" was artificial and unnatural. He thought the pressure for the balance of 1948 would be upwards — not acute dramatic, but definitely inflationary.

This was qualified to the extent that not all business would be uniformly affected. He saw trouble ahead in the possibilities of a "small business recession in the midst of national boom." Big business and big town spending would continue to give the appearance of boom and prosperity but small towns and small business would experience increasing trouble in that small business was going to find it increasingly difficult to meet rising costs.

"Consumer buying has already begun to lag in the fixed income groups," said Mr. Cherne, and there is further trouble ahead even if inflation is protracted without being extended."

He made it clear that he was increasingly unhappy by the increasing artificiality of a boom period more and more dependent on government spending, and continually postponing the day of readjustment to "healthy activity" and peacetime readjustment.

Conflict on Interest Rates

Questioning by picked experts and by the audience itself, brought out some further important views. One questioner wanted to know why wouldn't it be sound to let interest rates rise above that present level?

The answer: it was sound and that was being done.

But it was agreed that while some action had taken place in respect of short-term interest rates, there was a real difficulty because of the "moral obligation" not to let long-term government bonds drop below the 2½% rate at which millions of wartime purchasers had bought. It was admitted that here was a basic conflict between the normal working out of orthodox credit controls and the Treasury policy. This "peg," it was admitted, did impair the fight against inflationary forces; weakened the government's "fighting power."

It was admitted that to date the $30 billions poured into new postwar plant had failed to bring about a corresponding increase in efficiency and a greater output per manhour. It was thought that this was something which would not be apparent until "stage 2" in postwar cycle.

It was agreed that it would be good national policy to let the number of work-hours per week rise where the present lack of manpower restricts productivity. Also, since there was now virtually no slack in the national manpower picture, it would be essential for this to happen if present civilian and European demands were to be sustained in face of the suggested expansion of armament production.

One important emphasis of the entire discussion, was this suggestion that United States has not as yet begun to realize the implications of the dollar and economic cost and magnitude of the new armament program now breezing through Congress on a wave of anti-Russion sentiment.

Belgium Leads Recovery Race

State Planning Rejected in Favor of Free Economy

BY RONALD A. McEACHERN

BRUSSELS—Of all the countries in Europe, Belgium is putting on the most interesting demonstration of recovery.

And nowhere is there less government regimentation; less systematic effort to "plan" for the economy.

Brussels shops are quite literally stuffed with goods—beautiful things from all over the world. Meals are enormous. The streets swarm with cars—a lot of them recent American models. Hardly anything is rationed. Prices are very high. For the visitor, this is the expensive place in Europe. Breakfast toast, jam and coffee cost me $1.90. A modest meal runs $3 to $4. Hotel room costs are modest, however, because these are one of the few prices still fixed.

But the contrast in government policy between the Netherlands and Belgium is brilliantly sharp. Holland, like Britain, has gone in for over-all planning and state supervision of the whole economy. Like Britain, Holland is imposing —and very strictly—a grim austerity policy. Stores have small stocks, little selection and most of what is there it seems pretty unattractive. Subsidies, price and wage controls still cover a very wide segment of the Netherlands economy.

There are several reasons why Belgian policy is "free economy."

First, the Belgians don't take kindly to regimentation of any kind—as the Germans found during the occupation. No people, the Nazis found, were so poor at doing what the authorities said they should do. This characteristic was recognized by a recent Belgian prime minister in a public address. The opposition had been criticizing his government for not stamping out black markets. Hotly, he retorted in effect: "I'm fed up with that kind of criticism. Remember, we're governing Belgians, not Englishmen."

Overnight Conversion

Another reason for Belgian policy is, of course, that compared with England and Holland, this country emerged from the war with her economy in relatively good condition. There was comparatively little war damage to repair. The balance of payments position was favorable compared to that of most other countries. The Congo remained vastly productive of riches for the home country. Vast military expenditures in Belgium added enormously to its dollar supply. And because of its nature and wartime production, Belgian industry did an overnight conversion from war to peace.

So for Belgium there was much less of the compulsion of desperation which forced Holland and Britain into austerity and total regimentation.

But the fundamental reason for the contrasting Belgian policy is that the present government and its financial advisors just don't believe in superplanning.

"It is never a sound policy if it disregards the natural instincts and psychology of a whole people," one senior official told me. Several times in different ways he re-emphasized the same idea.

"It's better to take off controls too soon rather than too late. Most of our controls are now gone; so are most of our subsidies. In another month or so, we will be lifting all remaining subsidies."

How is Belgium climbing the postwar economic trail? Where do the Belgians stand in Europe's planned economies?

Here's an on-the-spot report from Belgium's capital by The Financial Post's editor, Ronald A. McEachern.

This is another in a special series of articles by Mr. McEachern on his observations and analysis of places, things, events and trends in Europe today.

What about Belgium's black market, now unimportant, but, at its height, the most fabulous in all Europe?

Again, the replies of senior officialdom reflected their belief that the extent of state regimentation desirable is very limited:

"Black markets are far from being entirely bad. For one thing, they provide a safety valve. But most important, they added a great incentive to work and to effort, which helped much in speedily getting our production and distribution system working again.

"A bricklayer, for instance, would put in his full day's work. Then in the evening he had the big incentive to make extra money free of social security deductions and income taxes. Thousands did that. The result was we got a great deal more work done, and distribution achieved faster, than would have otherwise been possible."

Shock Therapy Worked

Immediately after the liberation, the government encouraged business to go on an importing spree — essentials, nonessentials, anything and everything. The torrent of essential goods soon began to satisfy needs. The torrent of luxury goods, among other things served the purpose of soaking up and recapturing for the economic system, vast quantities of black market money, the possessors of which usually preferred to change it into goods rather than into bank balances and investments.

Belgian officials admit their treatment was drastic. It was shock therapy, but they insist it worked.

Prices are now starting to fall. Indications now are that the price level by this year end will be down very substantially.

There are two reasons: The domestic market is now saturated at these price levels. Store sales are declining. The electric refrigerators, electric ironers, washing machines and other things which in Europe are rare extravagances, are now having a long stay in shop windows and on sales floors. Black markets are rapidly decreasing in significance, and particularly in profitability.

Belgian producers for export are also finding sales resistance stiffening. In many lines, some textiles for instance, Belgian prices are now above world levels; and as supply in other countries catches up with demand, the Belgian exporter is beginning to worry. Cutting costs and increasing productivity is his only hope. It is commonly and calmly mentioned that quite a few firms will simply have to shut up shop.

There is some unemployment now, and there will be more; but the Belgians with whom I talked are not worried about that. Said one: "There's always got to be some degree of unemployment. Otherwise prices just go on soaring and soaring, as employers compete for labor. The competition for workers and the lower productivity that inevitably follows, leads only to national disaster."

Price Peak Passed

How much will Belgian prices come down? Now the price level is somewhere around 400 (compared with 100 in 1939). White collar people here tell me the cost of living is less than a year ago but still 600 or 700, compared with 100 in 1939.

Belgian officials think—or hope—their prices will level off around 300. One of the government's top financial men told me:

"Our prices will come down some, but prices in other countries will come up a good deal. People who believe in the controlled economy may postpone, but they can't prevent, the inevitable. The British price level, for instance, is totally artificial. Britain, some day, will have to go through what we did."

Altogether, Belgians believe their country is in the best condition of any in Europe. The inflationary fever is almost entirely burned out. The Belgian franc is, technically—and, they say, actually—the strongest currency in Europe. Exchange control is almost totally eliminated. Domestically, the belief is that the country has its present batch of troubles behind it.

For the Canadian exporter, however, Belgium promises to be a tough market. Wheat is Canada's chief export to Belgium and that they continue to want. But for manufactured goods, Belgium is currently a well-supplied market, in relation to the money available to buy.

Furthermore, Belgium is now eagerly trying to build up its own industry. As reported in an earlier article on Benelux, this government which says it doesn't believe in the state's trying to run business, is equally categorical in saying that what kind of industrial expansion is going to take place, is a very proper matter of state supervision.

Tighten Up On Imports

So, while Belgium relaxes or lifts all other controls, it is apparently tightening up on import controls. Certainly the old policy of "import anything and everything," no longer holds.

For the Canadian exporter, the Belgian import control is baffling indeed. There is no published list of what may be imported and what may not. It is not, apparently, possible to go to officaldom and say, "Supposing we can make a deal to export so much of such and such, will you grant a permit?"

As explained to me, the present situation is that you make your deal with the Belgian importer. Get all set to deliver. Then the application for a permit goes before an official board which meets

(Continued on page 17)

Million Canadians Bargain Collectively

Ottawa Makes First Tabulation of 2,730 Management-Labor Agreements

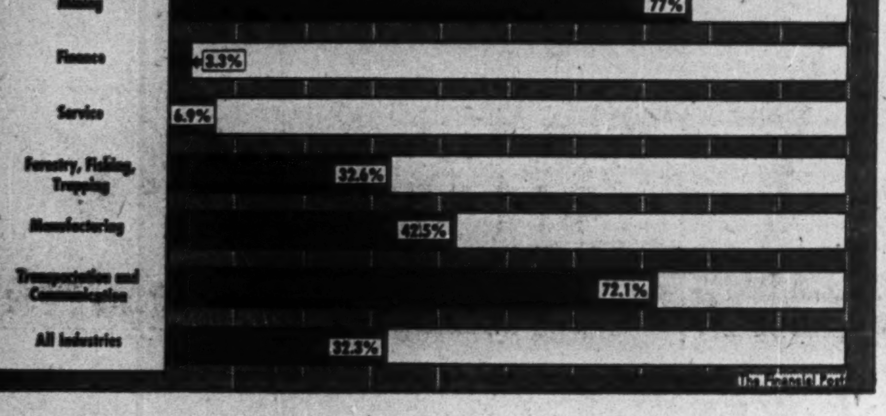
For years, the Federal Department of Labor has been filing copies of collective bargaining agreements between employees and employers. Once it was a part-time job. Today it's an important full-time job.

Just how big a job is shown in the department's first analysis of the facts and figures of management-labor agreements: in 1946, the department filed 2,730 such agreements. They covered 1,059,076 workers or one out of every three persons employed that year.

But by industries, the ratio was much higher. In mining, for example, nearly eight out of every 10 were covered; manufacturing, five out of 10; transportation and communications, seven out of 10.

Actually, the over-all Dominion percentage of 32.3% was misleading because it included agriculture where none were covered; finance, only 3.3% and service 6.9%.

If these relatively unorganized industries were ignored, the percentage would be closer to 66% or nearly seven out of every 10.



Moreover, most of the workers covered were in bona fide trade unions, national or international. Only 7.4% were in organizations not affiliated with national or international unions.

This trend toward management-labor contractual relations is confirmed by the steady postwar growth in trade unions. At the end of 1946, membership was almost 15% greater than the previous record in 1944. Total membership: 831,697; 356,121 in the TLC-AFL; 314,025 in the CCL-CIO. (Since then, both claim increased membership).

The discrepancy between union membership and workers covered by agreement is due to the fact that not all those covered are union members. Agreements cover all employees, union or nonunion.

A breakdown of union statistics also tells almost the same story as to where labor is most active as do the figures on collective agreements.

The percentage covered by contract in transportation and communication is 72.1%. Figures for union membership show about 11.6% of all those in this industry belong to unions. Greatest percentage of union membership is in the metal industry (19.8). The equivalent group under contract would be manufacturing (42.5%).

These figures are for 1946, the latest available. But it is generally agreed that unions have gained considerably more ground since then than between 1944 and 1946. Thus, when the Government issues its next report on collective bargaining agreements, a substantial increase in the percentage of employees covered can be expected.

Fire Prevention Authorities to Study New Ontario and Sask. Hotel Safety Acts

At the annual meetings of the Dominion Fire Prevention Association and the Association of Canadian Fire Marshals in Saint John, N.B., May 17-21, improved fire prevention laws in the various provinces will be one of the more important topics of discussion. Legislation affecting hotel safety especially will be studied.

Already Ontario and Saskatchewan have passed new acts and it is understood plans to pass similar acts following the leads of these two provinces are well advanced in most of the others.

The Ontario and Saskatchewan Acts are largely based on a model hotel safety law drafted by the National Fire Prevention Association which includes both Canadian and U. S. Fire Prevention officers.

Fire Resistive Construction

Probably the most important clause in the Ontario Act is section 2 which states that:

"Every hotel more than two stories in height, hereafter constructed or remodelled, every addition more than two stories in height hereafter made to any hotel and every building more than two stories in height hereafter converted for use as a hotel shall be of fire resistive construction.

"Where an addition is hereafter made to any hotel and either the addition or the hotel is not of fire resistive construction there shall be a fire wall between the addition and the hotel."

This latter clause is new.

Special attention is given to protecting vertical openings such as open stairways, wells, etc. In various important fires in recent years, vertical openings are stated to have been responsible for loss of life and special attention was given to the problem of protecting these against fire.

Accordingly the Act provides that every stairway in existing or new hotels of more than two stories in height, must be smokeproof and fully enclosed and of fire resistive construction. In existing hotels, more than two stories in height, an exterior from stairway with balconies at each floor, or a metal tubular or spiral fire escape, with the written consent of the fire inspector of the provincial fire prevention department, may be used in lieu of a fully enclosed and smokeproof stairway.

Elevator Shafts

Likewise every elevator shaft must be fully enclosed with noncombustible materials and the top equipped with heat-actuated vents and every elevator door shall be of metal and wired glass without openings.

Other provisions are:

Every passageway leading to an exit door must be not less than three feet wide and walls and ceiling must be surfaced with plaster, plaster board or other incombustible material unless it is protected by an automatic sprinkler system.

Exit signs must be placed above or beside every exit door or window and clearly visible.

Exterior stairways must not extend more than five stories above the ground.

Fire marshals are given power to require a hotel keeper to remedy any condition making a hotel specially liable to fire, and in hotels three or more stories high not in cities, or four stories or more in cities, when not of fire resistive construction to install automatic sprinkler systems or heat actuated fire detection system, if considered desirable.

Trained Fire Fighters

In hotels containing 50 or more bedrooms above the first story, at least one adult male employee, trained in fire fighting to the prescribed standard, must be on duty at all times. This regulation does not apply in a municipality with a fire department or where the hotel is completely equipped with an automatic sprinkler or heat actuated fire detection system connected electrically with an alarm in the fire department or with a central signal supervisory service.

When a fire is discovered in a hotel in a municipality, with a fire department, the fire department must be called immediately. Previously some larger hotels with fire fighting equipment of their own did not call in the department. Now it is obligatory to do so.

The words "fire resistive" are used throughout regarding materials of construction, rather than fire proof which in many cases has given a wrong impression.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

TORONTO IRON WORKS 1947 net profit was up 35.5%. The year was a record one for sales, and this was reflected in earnings. Operations this year are continuing on an equally good basis and, despite the coal strike in the United States and inflationary tendencies which may ultimately retard volume of new business, directors expect earnings will be relatively good, President T. F. Rahilly states.

Capital expenditures were $113,175. An extension to the main office building, to provide additional accommodation for the engineering department and to permit consolidation of accounting offices, was completed. Modern plant machinery and equipment was purchased and the company is now well equipped to meet competition, it is said.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$338,602	$231,314
Less: Deprec.	47,345	32,767
Pension fund	10,000	....
Income taxes	113,000	75,000
Add: Assets sale	1,369	1,632
Net profit	169,626	125,179
Less: Divds.	74,160	74,160
Surplus for year	95,466	51,019
Earnings per Share and Dividend Record:		
Cl. A: Earned	$2.00	$1.47
Paid	0.60	0.60
Com.: Earned	3.07	1.92
Paid	0.60	0.60
Cl. A & com. comb.	1.37	1.01

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$394,304	$436,390
Investments*	343,270	353,270
Accts. & notes rec.	171,471	153,563
Inventories	487,480	391,941
Total curr. assets	1,396,525	1,335,164
Mortgage rec.	....	6,198
Invest. in subsid.	11,215	11,575
Misc. assets▲	133,626	132,877
Fixed assets	1,041,204	928,029
Total assets	2,582,570	2,413,843
Accts., tax., etc., pay.	200,544	172,816
Res. for conting.	10,000	10,000
Total curr. liab.	210,544	182,816
Res. for deprec.	689,617	644,085
Capital stock	61,800	61,800
Surplus▲	1,620,609	1,525,142
▲Incl. ref. EPT	82,202	82,202
*At cost, less amounts w/o; market value in excess of this amount.		
Working capital	1,185,981	1,152,348

CANADA MACHINERY CORP. net profit for the year ended Jan. 31, 1948, was up 5.5%. Sales showed a slight increase, and the company has a considerable backlog of unfilled orders on its books, President J. C. Scanlon states. Although exchange difficulties and import restrictions handicap the company in the export field, some foreign business is being obtained, it is said. Management looks forward with confidence to a continuing good volume in the domestic market. During the year several new products were put on the market, and are said to be well received.

CONS. INCOME ACCOUNT

Years Ended Jan. 31:	1948	1947
Net earnings	$274,785	$296,077
Less: Deprec.	26,994	31,699
Bond interest	5,438	2,545
Inc. taxes res.	110,455	136,884
Net profit	131,898	124,949
Less: Pref. divd.	....	56
Common divd.	50,000	50,000
Surplus for year	84,898	74,893
Earnings per Share and Dividend Record:		
Common	$1.32	$1.25
Paid (new)	0.30	0.25
Paid (old)	.....	0.30

CONDENSED CONS. BALANCE SHEET

As at Jan. 31:	1948	1947
Cash	$106,884	$14,296
Accts. rec., etc.	160,661	233,447
Inventories	421,728	533,709
Total curr. assets	689,273	781,452
Prepaid chgs.§	3,253	464
Misc. assets▲	75,760	44,249
Fixed assets*	1,427,861	1,462,267
Total assets	2,205,947	2,288,432
Bank loan	21,272	46,000
Other curr. liab.	256,431	370,386
Total curr. liab.	277,703	416,386
Funded debt	150,000	175,000
Capital stock	411,000	411,700
Capital surplus■	960,710	991,910
Earned surplus▲	406,534	293,436
*After depr. of	524,484	500,959
▲Incl. ref. EPT	38,317	38,317
■Incl. $960,710 arising from appraisal of f. a.		
§Incl. in curr. assets in co's. report.		
Working capital	411,570	365,066

DOMINION WOOLLENS & WORSTEDS 1947 net profit was more than double 1946's. Volume of production increased, and was close to capacity. Dollar value of sales rose 50%. Wartime direction of company affairs ceased as from Apr. 1, 1947. For nine months of the year operations were carried on under normal operating conditions and with improved earnings, the annual report states.

Company products have won a favored position in the Canadian market in recent years and a good demand should continue throughout 1948, Chairman of the Board John W. Hobbs states. Expenditure on capital replacements amounted to $205,000.

Inventories have been reduced to price levels considered sound under present conditions. This move has been taken partly as protection against a decline from the abnormally high price of wool.

Income and excess profits taxes in respect to 1940 and subsequent years have not been finally determined; but provision made for years 1940 to 1946 inclusive are considered adequate, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net earnings	$1,167,415	$330,307
Less: Deprec.	165,000	77,700
Debt interest	79,539	83,258
Income tax	192,500	68,200
Inventory res.	462,792	....
Net profit	267,584	101,149
Less: Com. divds.	117,672	106,645
Surplus for year	149,912	*5,496
*Deficit.		
Times Bond Interest Earned:		
Before deprec.	14.68	3.97
After deprec.	12.60	3.03
Based on interest requirements on new bonds and debentures only.		
Earnings per Share and Dividend Record:		
Common: Earned	$1.82	$0.69
Paid	†0.80	†0.72½
†Incl. 20c paid in following year.		

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash	$5,908	$29,506
Accts. rec.	756,173	434,595
Inventories	2,902,625	2,664,017
Total curr. assets	3,664,706	3,128,118
Invest. in subs.	52,327	44,090
Misc. assets▲	85,117	58,855
Fixed assets*	2,168,568	2,174,953
Total assets	5,970,718	5,406,016
Bank loan	832,000	1,125,000
Other curr. liab.	1,063,517	518,004
Total curr. liab.	1,895,517	1,643,001
Funded debt	1,624,100	1,748,600
Bd. debts	51,351	51,351
Inventory res.	307,042	....
Cont. res.	200,000	200,000
Capital stock	917,548	917,548
Earned surplus▲	975,160	845,513
*After depr. of	2,441,877	2,305,229
▲Incl. ref. EPT	38,420	36,029
Working capital	1,769,189	1,485,114

Times have changed since the First Portage Mutual Board Meeting, October 2nd, 1884. But sound financing and complete knowledge of the specialized fire and windstorm insurance fields have enabled The Portage Mutual to maintain a progressive policy in meeting the changing needs of our economy.

PRESENT DIRECTORS AND OFFICERS

Hon. D. L. Campbell, M. L. A. — E. D. Alder, K. C.
J. C. Miller, K. C. — E. L. Kitchen — Jas. McKenzie
Arthur Sullivan, K. C. — Joseph Trimble

M. G. Tidsbury . . . President
E. H. Muir . . . Vice-President
A. H. Thorpe . . . General Manager
A. G. Hall . . . Ass't. General Mgr.

The PORTAGE LA PRAIRIE MUTUAL INSURANCE COMPANY
HEAD OFFICE - PORTAGE LA PRAIRIE
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"THE SAFETY-MINDED COMPANY"
Agency Inquiries Invited

We'll Help You Keep That Plant Running

An insurance policy by itself won't keep your power plant and boilers running in safe condition. But our inspections—which accompany the insurance afforded by this Company—can help you with that job.

Our experts are trained in the exacting work to which we assign them. And they are available, too, for aiding policyholders in times of emergency.

▶ Ask your broker or agent.

The Boiler Inspection and Insurance Co. of Canada

If you have children— consider this

Many men are now buying Insurance Policies for their 'teen age children and for children even younger. They buy them to provide money for children's higher education or to provide capital for the starting of a modest business; as well as for protection.

Sometimes there is an understanding between father and son that when the son earns enough to pay all or part of the premiums, he will do so. This compact between father and son works out well. It teaches thrift to the young man and strengthens his sense of responsibility.

• • • • •

If you have a boy or girl a Confederation Life Representative will be glad to show you what can be done along the lines here suggested and within the compass of your means. Your inquiry will bring a competent representative to see you about it.

BEFORE YOU INSURE; CONSULT—

Confederation Life Association
HEAD OFFICE TORONTO

"I'VE PLANNED MY FUTURE"

$5,000.00 for My Loved Ones
A PENSION for Myself

FOR MY DEPENDENTS
$5,000.00 CASH
or $25.00 a month for over 21 years

FOR MYSELF
If I live to retire
$25.00 a month for life
OR A SUBSTANTIAL CASH AMOUNT

YES, I've taken out one of the new "Dominion Security" Policies. It is one of Dominion Life's most popular plans.

IF YOU WANT THE MOST LIFE INSURANCE BENEFIT FOR THE LEAST OUTLAY
write for further particulars of the Dominion Security Policy.

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GENERAL INSURANCE AGENTS AND BROKERS SINCE 1878
371 BAY STREET, TORONTO—PHONE EL. 3332

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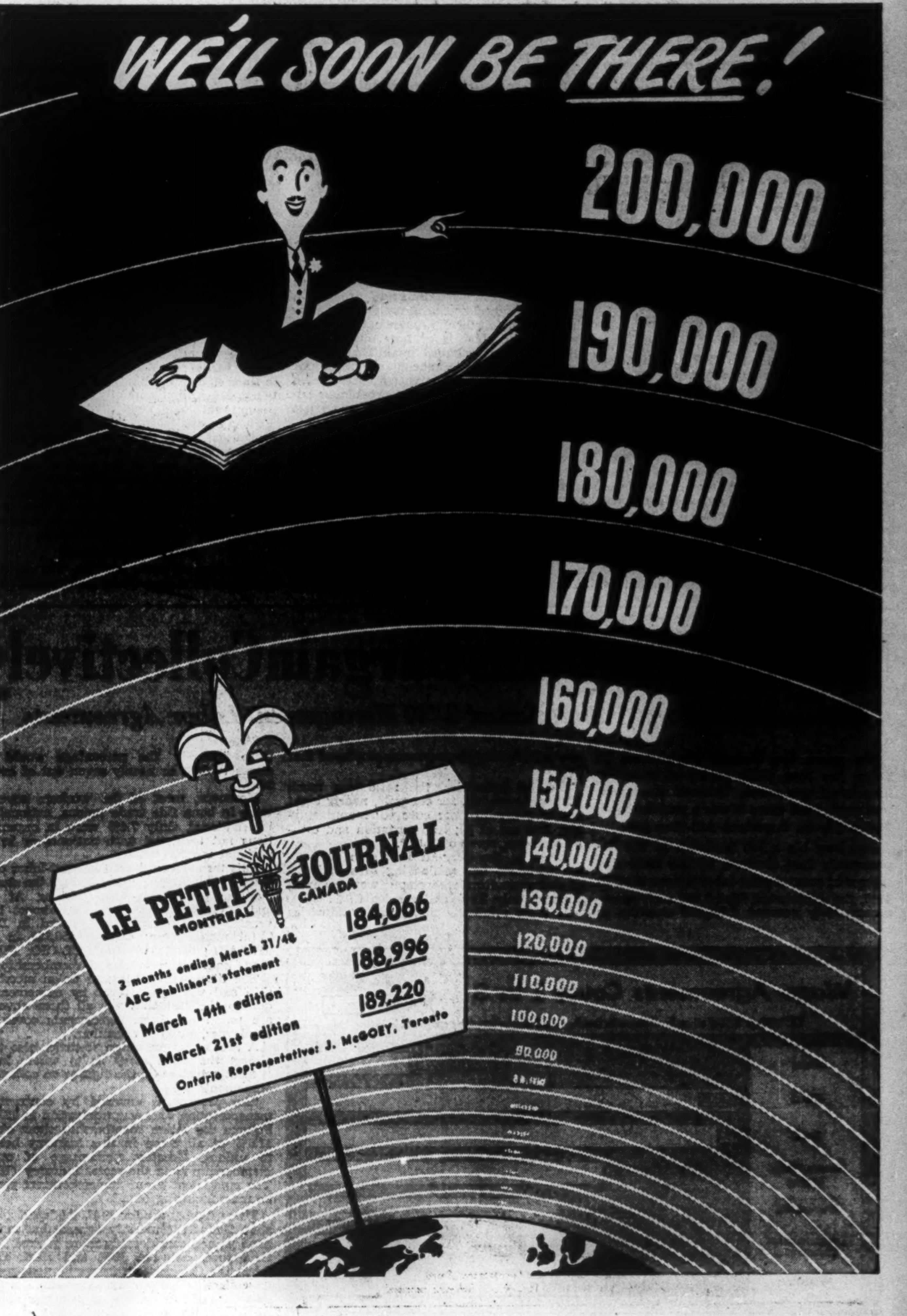
Industrial Plant Appraisals for Insurance-Accounting and Government Requirements.

Head Office
137 Wellington St. West
TORONTO Elgin 5928
MONTREAL
University Tower Building



Fairness, Efficiency, Universality Named Income Tax Administration Requisites

Fairness within the law.
Efficiency.
Universality.

These are the three prime requisites of income tax administration listed by F. H. Brown, until recently Deputy Minister for Taxation Department of National Revenue at Ottawa and formerly connected with the Department of Reconstruction. Previous to that Mr. Brown was a superintendent at the head office of the Canadian Bank of Commerce.

In an article in the Commerce Journal, Mr. Brown explains the workings of the income tax department as he saw it during the ten months he was administering it. Here is a digest of his article:

By FRANK H. BROWN

Income taxation is big business. For 1946, 3.6 million Canadians, three of every 10 people in Canada, as well as 32,000 corporations filed income tax returns and thus came directly within the ken of the income tax department. Total collections in the first half of the fiscal year just ended were almost $750 millions. Gross revenues of the CPR and CNR combined for the same period were $385 millions.

While the thought of income tax causes a pang of some sort to most people, everybody knows it is a part of the price of freedom, the cost of two major wars in a generation. In paying income tax, however, people demand fair treatment and reasonable interpretations of doubtful issues. People also expect to find out quickly where they stand on tax problems and also that the law will be applied generally to everyone in the country so that everybody pays their share.

Fairness

Regarding fairness — it must be remembered income tax officials are administrators of a law, not its makers, though their advice is sought regarding practicability. On their recommendations, often, loopholes are plugged, inequities done away with. And, strange as it may seem to some, taxation officials are as keen about the latter as the former.

The taxation official must weigh calmly and carefully the two sides of an endless succession of problems within the law and try to strike a true balance. No law can eliminate this responsibility, or even reduce it to small proportions.

In pursuit of fairness, he must first be sure he knows all the facts. A taxpayer who conceals truth prejudices his position, for the tax assessor becomes very watchful. The latter must:

Appreciate what is normal, reasonable and human and dig to the bottom for information.

Consider the wording and meaning of the law and the relative jurisprudence.

Weigh the implications and possible impact of his decision in the particular case on parallel, similar or partly similar cases.

Try to see the taxpayer's problems and natural viewpoint while at the same time doing his duty.

Weigh all this together and try to do even-handed justice.

It is easier to talk about fairness than to achieve it. Organizing the work of several thousands of people so that fairness permeates the handling of hundreds of thousands of cases a year is largely a matter of point of view. It must start with and flow from the top. Continuous vigilance against inequities on the one side and endeavors to secure unwarranted favors in interpretation on the other is the daily fare of the tax official.

Previously it was customary to issue to the 19 tax divisions in the nine provinces, memoranda of instructions on points likely to arise. Many rulings were made this way which affected the taxpayers who had no notice until their assessment was made.

To remove this inequity it was decided last January that all interpretative rulings issued from then on should be made available for publication. Texts of these rulings have been handed to accountancy, legal and trade organizations and to regular taxation services.

It will take time to issue all rulings some of which go back 30 years.

Fairness demands not only publication of rulings but uniform interpretations of the rulings and a uniform administration of the law, right across the country.

In the interest of uniformity a start has been made, building up a book of regulations covering every phase of the activities of the taxation division. A loose leaf book has already been issued to the staff but it will take a long time to do the job well.

When a taxpayer appeals against the ruling of a local tax office, he is entitled to be heard. Provision is made for an appeal to the Minister, if necessary to the Exchequer Court or an appeal board. To ensure that his case is properly dealt with by the taxation division, a special organization was established at head office to re-examine every single detail of the case from the start. As a result, a settlement is reached in many cases and appeals to the Exchequer Court have dwindled to a trickle. There is no such thing as the tax department taking an extreme position with a view to making a satisfactory compromise later.

Efficiency

Efficiency in tax administration is largely a question of manpower and training. The taxation department with a prewar staff of 2,500 and annual collections of about $125 millions, in 1940-41 found its work multiplied by 10, in volume and complexity, but restricted to a staff of about 7,500 people working in about 350,000 square feet of floor space. On the prewar ratio the staff should have been 25,000 and space of two million feet.

Restriction of personnel was wartime necessity. But it left the income tax staff, at the end of the war, overworked, tired, dispirited, overcrowded and underpaid. Tax evasion was more common than ever before and public criticism was rampant.

Space essential to enlarging the staff had to come first and has now been obtained except in the head office.

To attract qualified and experienced accountants to the staff, more reasonable pay scales had to be adopted and these had to be applied to those who had carried the wartime load. A complete appraisal involving a personal interview in each case was conducted, and by the year end salaries should be adequately adjusted, in the main.

Even trained accountants take one to two years to become fully efficient assessors of corporation income tax returns, assessors of individual returns take a little less time, to train. But it is not a simple business and training takes time. Adequate filing space and mechanical equipment are still unsolved problems.

Universality

Universality in the application of income tax requires investigation and enforcement work on a much larger scale than was possible during the war. This in turn depends on a larger staff which is now being built up and trained. In some cases individuals, small business men and corporations falsified their returns or made no returns at all.

The three most frequent falsifications of returns are:

Exclusion of certain special cash sales from the business records.

Understatement of inventories.

Creation of fictitious accounts payable. In one case, falsification had been running since 1932. But in the long run the offender went to jail.

The taxation division has not lost a case it has taken to court in the last two years.

Prosecution of evaders is the most unpleasant of all income tax division tasks. It is usually taken as a preventive rather than a punitive measure. Voluntary confession and payment of taxes due will usually head off prosecutions. The income tax department is more interested in collections than in prosecutions.

Meanwhile efforts are being made to check on people who have sought to evade income tax by not making a return.

Increase Shown In Bank Debits

Canadian business transactions by cheques on the chartered banks rose 9.4% in March, over the same month last year. Increased prices, higher levels of employment and industrial production, were among the chief factors responsible for the higher volume of cheque payments or bank debits.

The March increase was distributed over four of the five economic areas: Maritimes 15.3%; Ontario 17.1%; Prairie Provinces 12.3%; British Columbia 3.5%. The decline in Quebec was 0.1%.

Bank debits for the first quarter of the year were $18.3 billions, almost 4.4% higher than in the same period of 1947. Increases were shown in all economic areas except Quebec; and the quarterly total was the greatest on record.

Figures for March follow:

CHEQUES CASHED IN CANADA
(Millions of $)

	Mar. 1948	Feb. 1948	Mar. 1947
Maritimes:			
Halifax	82.3	64.6	67.3
Moncton	24.8	22.6	23.8
Saint John	42.9	59.4	39.0
Total	150.0	146.6	130.1
Quebec:			
Montreal	1,645.0	1,526.4	1,716.2
Quebec	227.4	148.2	160.4
Sherbrooke	19.7	18.4	16.5
Total	1,892.1	1,693.1	1,893.1
Ontario:			
Brantford	28.3	25.3	26.4
Chatham	18.5	20.3	22.2
Fort William	19.2	15.6	15.6
Hamilton	156.1	140.3	123.4
Kingston	18.3	15.8	15.3
Kitchener	36.5	36.6	34.2
London	83.0	76.5	78.5
Ottawa	311.0	328.8	253.2
Peterborough	20.1	17.4	16.6
St. Catharines	28.2	24.2	23.2
Sarnia	19.9	19.6	22.1
Sudbury	16.4	14.5	14.0
Toronto	1,865.9	1,585.9	1,598.2
Windsor	107.2	90.9	87.9
Total	2,728.9	2,411.9	2,330.9
Prairie Provinces:			
Brandon	8.8	7.8	7.7
Calgary	138.5	125.9	128.0
Edmonton	116.3	102.5	104.6
Lethbridge	13.4	11.2	11.8
Medicine Hat	6.9	5.4	6.9
Moose Jaw	14.8	12.3	15.5
Prince Albert	90.5	8.0	8.9
Regina	74.9	52.3	98.5
Saskatoon	30.3	27.2	27.5
Winnipeg	462.9	455.7	443.3
Total	957.4	808.4	852.7
British Columbia:			
New W'minster	24.6	24.9	22.0
Vancouver	455.5	405.9	434.0
Victoria	68.5	60.3	74.2
Total	548.6	491.1	530.3
Total for Canada	6,227.1	5,551.1	5,737.1

Staff Changes

The Bank of Montreal announces the following staff changes:

W. T. HODGINS, manager, Victoria Ave. and Albert St., Regina, to be an assistant superintendent, Ontario district, with headquarters in Toronto.

B. G. JOHNSTON, of Toronto, to be manager, Dupont and Christie Sts., Toronto.

E. PARTINGTON, of the assistant general manager's department, Toronto, to be manager, Queen St. and O'Hara Ave., Toronto.

G. D. LITTLE, assistant superintendent of Ontario division with headquarters in Toronto, to be manager, Yonge and Queen Sts., Toronto.

H. E. BUCKNAM, assistant manager, Brantford, to be manager, Wallaceburg.

W. G. GROTHIER, manager, Wallaceburg, to be manager, Woodstock, Ont.

• • •

The Royal Bank of Canada announces the following staff changes:

L. E. VINET, manager, St. Hyacinthe, Que., to be manager, Atwater & Notre Dame, Montreal.

J. B. P. ROBERTSON, manager, Edmundston, N.B., to be manager, Sherbrooke & Bleury, Montreal.

O. V. STEVENSON, manager, Winchester, Ont., to be manager, Edmundston, N.B.

H. O. BALKWILL, manager, Manotick, Ont., to be manager, Winchester, Ont.

C. D. CHRISTIE, accountant, Vancouver, B.C., to be manager, MacKay, B.C.

N. BINGEMAN, accountant, London East, Ont., to be manager, Peterborough South, Ont.

R. M. CATTELL, supervisor's dept., Halifax, to be accountant, Saint John, N.B.

C. C. H. ATKINSON, Marpole, Vancouver, to be accountant, West Vancouver, B.C.

The Dominion Bank announces the following staff changes.

N. V. McINTYRE, to be manager, new branch, Ottawa St., Windsor, Ont.

J. D. KETCHUM, to be manager, new branch, Port Credit, Ont.

• • •

The Bank of Nova Scotia announces the following staff changes:

T. D. WINDROSS, to be an inspector attached to supervisor's office, Winnipeg.

J. S. CLINCH, to be manager, Bloor & Spadina, Toronto.

F. G. McCANN, to be accountant, Timmins, Ont.

F. E. MILLAR, to be accountant, Sarnia, Ont.

The Wawanesa

Admitted Assets... $6,784,348.81
Surplus 3,180,060.58
Dom. Govt. Deposit 2,378,615.74

Write for Financial Statement

Head Office WAWANESA Man. — Eastern Office TORONTO Ont.
Branches at Vancouver, Saskatoon Winnipeg and Montreal

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IN MONTREAL

Men of affairs naturally stop at the WINDSOR because of its reputation for dignified comfort, unobtrusive, courteous service and its convenient location—and because the WINDSOR is recognized as the proper place for business and social meetings.

THE Windsor
ON DOMINION SQUARE
J. ALDERIC RAYMOND, PRESIDENT

ORDER YOUR BOOKS FROM
BURNILL'S BOOKSHOP
100 Yonge Street, Toronto 1
MAIL ORDERS POSTPAID

TANNERS Since 1844
BEARDMORE Leather Belting DRIVES BEST
BEARDMORE & CO. LIMITED
TORONTO MONTREAL

J. H. McQUAIG & CO.
Industrial Psychologists
Selection of executives and salesmen—Testing of personnel for Industry.
30 BLOOR ST. W., TORONTO KI. 6514

AT THE
Manoir Richelieu
MURRAY BAY, P.Q.

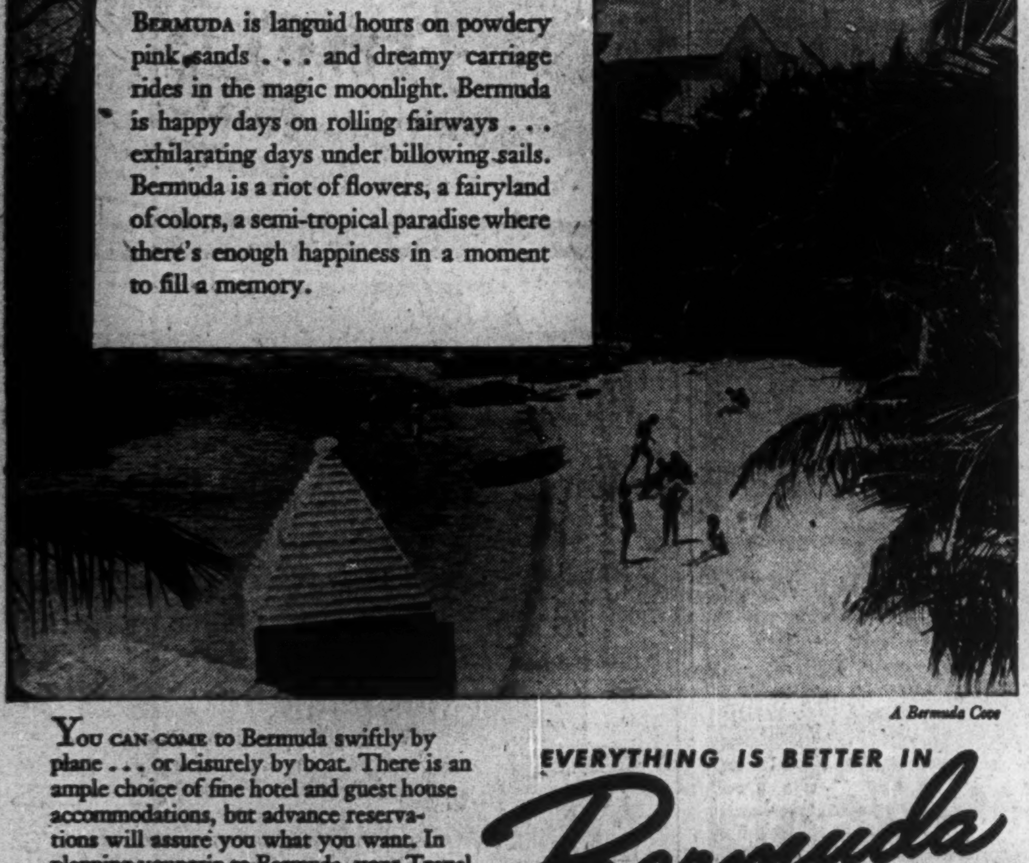
LILTING MUSIC and wordly-wise companions—the kind of people who match your gala mood for a bright, romantic holiday!

Early reservations are advised. Apply P.O. Box 100, Montreal. Rates from $12 per day with meals.

CANADA STEAMSHIP LINES
715 Victoria Square, Montreal

You'll never Forget!

BERMUDA is languid hours on powdery pink sands . . . and dreamy carriage rides in the magic moonlight. Bermuda is happy days on rolling fairways . . . exhilarating days under billowing sails. Bermuda is a riot of flowers, a fairyland of colors, a semi-tropical paradise where there's enough happiness in a moment to fill a memory.



A Bermuda Cove

YOU CAN COME to Bermuda swiftly by plane . . . or leisurely by boat. There is an ample choice of fine hotel and guest house accommodations, but advance reservations will assure you what you want. In planning your trip to Bermuda, your Travel Agent will give you experienced help and complete service—at no cost to you.

EVERYTHING IS BETTER IN Bermuda

FOR NEW ILLUSTRATED BOOKLET, *write The Bermuda Trade Development Board, 372 Bay Street, Toronto, Canada. Currency restrictions do not affect a Bermuda vacation.* B-118

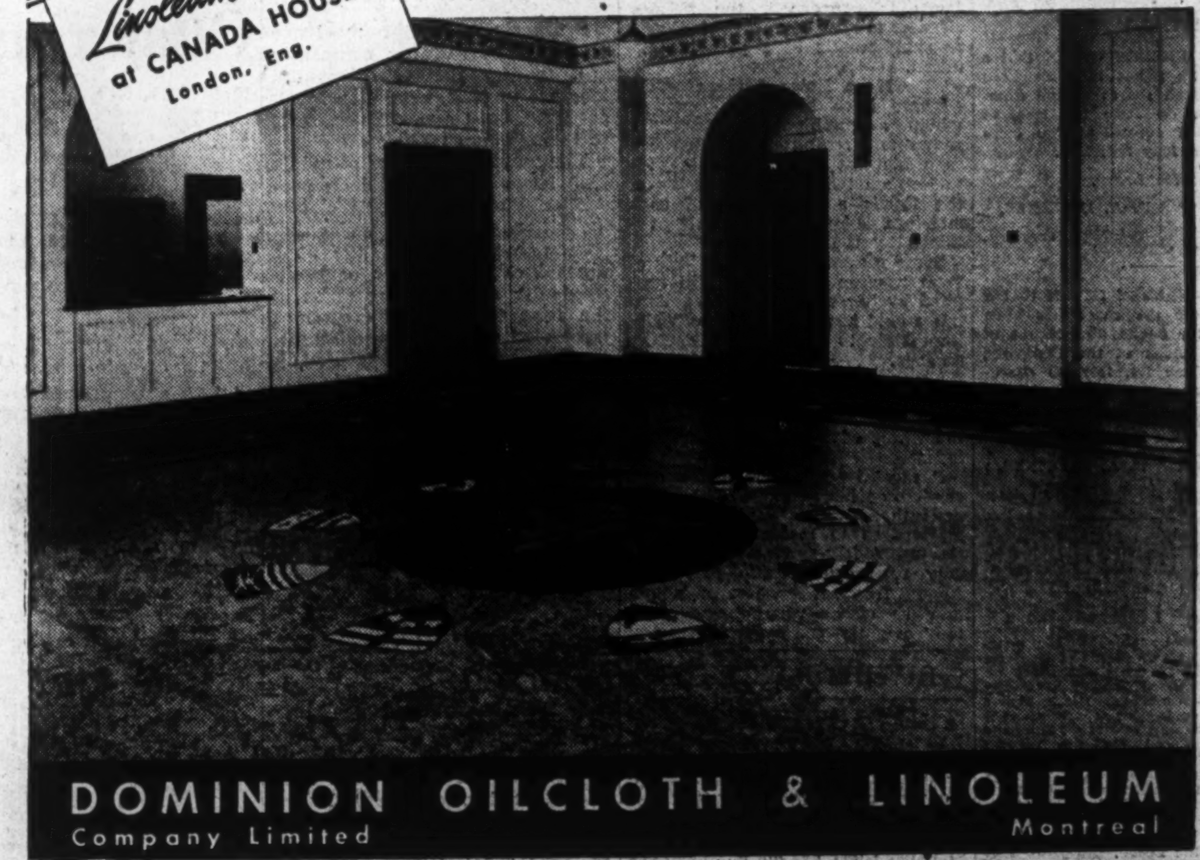
Linoleum Floors AT THE FAIR

CLEAN, colourful, resilient linoleum—favourite flooring for homes, offices, stores, public buildings—will be on parade at Canada's International Trade Fair.

We are glad of the opportunity to present this exhibit, which shows the distinctive style and quality achieved through more than 75 years of linoleum manufacturing.

Our products, so widely and so favourably known in Canada, are today figuring largely in Canada's export business. Every visitor from everywhere is cordially invited to see this Dominion Linoleum exhibit.

Coliseum, Canadian National Exhibition Grounds, Toronto.



DOMINION OILCLOTH & LINOLEUM
Company Limited
Montreal

Times Have Changed

In Canada's earliest pioneer days, each family produced for themselves those goods and services needed. As individuals developed skill in specific lines, they found it advantageous to exchange the products of their labour with others, for things needed. From this specialization evolved mass production which contributes to a higher standard of living for greater numbers.

But mass production can seldom be financed by the individual. That's our job—to provide Bank Credit which will enable management to buy raw materials in quantity at opportune times—that will facilitate commercial credit and market development—that will provide ways and means of cutting costs—and, in general, help to expedite industry.

For 93 years this bank has co-operated with Canadian business by supplying Bank Credit. We would be glad to discuss your financial problems with you.

THE BANK OF TORONTO
Incorporated in 1855
L. G. GILLETT, General Manager
40-48

DIVIDEND NOTICES

BANK OF MONTREAL
ESTABLISHED 1817
DIVIDEND NO. 340

NOTICE is hereby given that a DIVIDEND of TWENTY CENTS per share upon the paid-up Capital Stock of this Institution has been declared for the current quarter, payable on and after TUESDAY, the FIRST day of JUNE next, to Shareholders of record at close of business on 30th April, 1948.

By Order of the Board,
GORDON R. BALL,
General Manager.
Montreal, 13th April, 1948.

NORMETAL MINING CORPORATION, LIMITED
INTERIM DIVIDEND No. 4

Notice is hereby given that an Interim Dividend of Five Cents (5c.) per share, payable in Canadian Funds, has been declared by the Directors of Normetal Mining Corporation, Limited, payable 30th June, 1948 to shareholders of record at the close of business on the 5th of June, 1948, subject to the regulations of the Foreign Exchange Control Board.

By Order of the Board,
W. HARRISON,
Secretary-Treasurer.
Toronto, Ontario,
28th April, 1948.

Lake of the Woods Milling Company Limited
DIVIDEND NOTICE

NOTICE IS HEREBY GIVEN that a dividend of 1¾% has been declared on the Preferred shares of the Company, payable on June 1st, 1948, to shareholders of record at the close of business on May 3rd, 1948.

By Order of the Board,
D. A. MacINNES,
Secretary.

NOTICE IS HEREBY GIVEN that a dividend of 40c per share has been declared on the outstanding shares of the Common Stock of the Company, payable on June 1st, 1948, to shareholders of record at the close of business on May 3rd, 1948.

By Order of the Board,
D. A. MacINNES,
Secretary.

LOBLAW GROCETERIAS CO., LIMITED

NOTICE is hereby given that a quarterly dividend of 25 cents per share and a bonus of 25 cents per share on the Class "A" shares and a quarterly dividend of 25 cents per share and a bonus of 25 cents per share on the Class "B" shares of the Company have been declared for the quarter ending May 31, 1948, payable on the 1st day of June, 1948, to shareholders of record at the close of business on the 5th day of May, 1948. The transfer books will not be closed. Payment will be made in Canadian Funds.

By Order of the Board,
R. G. MEECH
Secretary.
Toronto, April 27, 1948.

Woods Manufacturing Company, Limited

Notice is hereby given that a quarterly dividend of Fifty Cents (50c) per share on the No Par Value Common Shares of the Company has been declared for the quarter ending June 30th, 1948, payable June 30th, 1948, to shareholders of record, May 31st, 1948.

By Order of the Board.
R. E. LEWIS,
Secretary-Treasurer.
Montreal, April 29th, 1948.

DIVIDEND NOTICE
BRITISH AMERICAN OIL COMPANY B-A LIMITED
PREFERRED STOCK

NOTICE is hereby given that a dividend of 23.4375c per share has been declared on the issued Preference Shares of the Company, being at the rate of Three and Three-quarters percent (3¾%) per annum, for the second quarter ending June 30th, 1948. The above dividend is payable in Canadian Funds, July 2nd, 1948, to shareholders of record at the close of business on the 3rd day of June, 1948.

H. H. BRONSDON,
Secretary.
Dated at Toronto, April 29th, 1948.

DIVIDEND NOTICE
BRITISH AMERICAN OIL COMPANY B-A LIMITED
COMMON STOCK

NOTICE is hereby given that a dividend of Twenty-five Cents (25c) per share has been declared on the issued No Par Value Common stock of the Company for the second quarter ending June 30th, 1948. The above dividend is payable in Canadian Funds, July 2nd, 1948, to shareholders of record at the close of business on the 3rd day of June, 1948.

H. H. BRONSDON,
Secretary.
Dated at Toronto, April 29th, 1948.

DONOHUE BROTHERS LIMITED
NOTICE OF DIVIDEND

Notice is hereby given that a dividend of $0.25 per share has been declared on the ordinary shares of the Company for the quarter ending 31st May, 1948.

The said dividend will be payable on 1st June, 1948, to shareholders on record as at the close of business on 15th May, 1948.

By Order of the Board.
A. EMILE BEAUVAIS, C.A.,
Secretary.

Robinson, Little & Company, Limited
WINNIPEG, MANITOBA

Class "A" Shares — Dividend No. 6

NOTICE is hereby given that a dividend of twenty-five cents (25c) per share on the Class "A" shares of the Company has been declared payable on the 1st day of June, 1948, to holders of record at the close of business on the 15th day of May, 1948.

By Order of the Board.
HERBERT J. SADLER,
Secretary-Treasurer.
Dated at Winnipeg, Manitoba,
May 1, 1948.

Day and Night Seeding Ahead for West Farmers

Two Weeks Yet Before Most Can Get Crops Into Land Still Water-Logged After Wettest Season Known For Years

From Our Own Correspondent

WINNIPEG—Faced with the prospect of one of the latest seeding seasons on record, Western farmers, up to the present, have been showing a remarkable degree of optimism as to their ability to get a crop in.

So far, only in a few scattered areas has a not worth-while amount of seeding been done and it will be at least another week before seeding can be very general. There is much land which, even with good drying weather, will hardly be in shape for working for another two weeks.

Undoubtedly there will be some substantial area for which hopes of crop production this year will have to be abandoned.

Some low lands along flooded streams must be regarded as having been drowned out, with little possibility of a crop this year.

The total of such acreage will not be large although the condition will be sufficiently distressing for some of the farmers involved.

So far as the great area of farm lands is concerned, the flooded streams are to be regarded simply as symptomatic of a general condition.

More Rains Serious

There have been few years in which a combination of winter snows and spring rains has given such abundant moisture lying for so long on the top soil. In spite of the floods a great part of such moisture is undoubtedly being retained by the land.

Some years ago when the bulk of farm tractive power was still supplied by horses, a season so late as this would have made it practically impossible to put in a satisfactory acreage.

Now, employing tractors and working long hours, probably often through the night, farmers on the whole expect to get their crops in.

It must be admitted that a succession of heavy rains within the next three weeks could so delay matters as to make the situation serious. A late-sown crop undoubtedly runs considerable risk from August frosts, if these occur, which may be either very damaging or only slightly so, depending upon the condition of the grain at the time.

Probably most farmers will seed wheat to a later date this year than they usually like, and some will probably take a chance on wheat right up to the end of May. Others will put in oats and barley on land which in an earlier season they would heve preferred to employ for wheat.

It could happen that the moisture conditions of this spring, instead of reducing actual grain production, will tend to an increase, with the improvement in some areas more than counterbalancing losses elsewhere incurred; and production of a good total crop is quite possible.

DIVIDEND NOTICES

THE STOWELL SCREW COMPANY LIMITED
NOTICE

NOTICE IS HEREBY GIVEN that a dividend of Seventy-five cents (75c) per share, being at the rate of $1.50 per share per annum, has been declared on the Class "A" Shares of Capital Stock of THE STOWELL SCREW COMPANY LIMITED for the half year ending May 31, 1948, payable June 1, 1948.

Montreal, P.Q., April 30, 1948.
A. M. MORRISSEY,
Secretary.

The Great West Saddlery Company Limited
6% Cumulative Second Preference Stock
($50.00 par Value)

A dividend at the rate of six per cent (6%) per annum being the accumulated dividend for the three months ending June 30th, 1948, on the Second Preference Stock, has been declared and authorized to be paid on June 30th, 1948, to all Second Preference Shareholders of record with the Transfer Agents of the Company at the close of business on May 31st, 1948.

By Order of the Board,
J. C. BROADFOOT,
Secretary.
Winnipeg, Man.
April 28, 1948.

A. J. FREIMAN LIMITED

Notice is hereby given that subject to the approval of the Foreign Exchange Control Board an extra dividend of twenty-five cents (.25c) per share on the Common Shares of the Company has been declared, payable on and after the 1st day of June, 1948, to holders of record at the close of business on the 15th day of May, 1948.

DATED at Ottawa this 1st Day of May, 1948.

Lawrence Freiman,
President.

FITTINGS, LIMITED
DIVIDEND NOTICE

Notice is hereby given that a semi-annual dividend of thirty cents (30c) per share has been declared on the outstanding Convertible Class "A" Shares, No Par Value, of the Company, payable July 1st, 1948, to shareholders of record, Friday, the 4th day of June, 1948.

By Order of the Board.
D. D. STORIE,
Secretary-Treasurer.
Dated at Oshawa,
April 28, 1948.

Borden's
DIVIDEND No. 153

An interim dividend of sixty cents (60¢) per share has been declared on the capital stock of *The Borden Company*, payable June 1, 1948, to stockholders of record at the close of business May 11, 1948.

E. L. NOETZEL
Treasurer
April 27, 1948

Imperial Tobacco Company of Canada, Limited
DIVIDEND

NOTICE IS HEREBY GIVEN that an Interim Dividend (No. 178) of ten cents (10c) per share on the paid-up Common Shares of the Company has been declared payable on Wednesday, the 30th day of June, 1948, to shareholders of record at the close of business on Tuesday, the 18th day of May, 1948.

By Order of the Board.
A. L. ROBERTSON,
Secretary.
Montreal, P.Q.,
30th April, 1948.

Mortgage Loans Higher In '48 Said Prospect

Prospects are that mortgage portfolios of member companies will show a further substantial increase in 1948, Dominion Mortgage & Investments Assoc. state in their annual report.

The companies carried over into 1948 large commitments on properties under construction and indications are that residential construction will continue at a high level. Mortgage commitments by member companies in the first three months of 1948 were well ahead of commitments in the same period last year, it states.

The demand for mortgage funds in 1947 set a record. Mortgage loans approved by member companies totalled $190 millions and mortgage principal actually disbursed during the year amounted to $173 millions, an increase of $54 millions or 45% over 1946.

Repayments were also large so that increases in mortgage portfolios of members were not as great as might have been expected. Mortgage holdings of member companies increased $70 millions during 1947 to $559 millions. This indicates that because of large repayments the companies on the average had to loan $2.40 on new mortgages in order to achieve an increase of $1 on mortgage assets, the report states.

Loans on residential properties accounted for 72.4% of all loans; commercial and industrial properties, 24.8%, and farms 2.8%. Of the dollar volume of all loans, 53.2% was for financing new construction and 46.8% was in respect of existing properties.

Interest Rates and Credit

In view of the recent rise in interest rates and inflated level of construction costs, some restriction of mortgage credit would not be surprising, the report states. Mortgages are less attractive as investments than they were a year ago as a result of the general stiffening of interest rates for other types of investments, and because the costs of doing a mortgage business has risen with a consequent decline in the net return.

When it is generally recognized that easy mortgage credit has resulted in higher housing costs, and has aggravated the general spiral of inflation, it is difficult to justify the steps now being taken to further liberalize mortgage credit, the Association feels. Indications are that much larger loans are to be made available through governmental aid and this is bound to bring in a flood of new marginal purchasers, the Association feels.

With longer amortization the the borrower pays substantially more in interest charges. For instance, a $5,000 loan bearing 4½% interest costs the borrower $2,565 in interest charges when amortized over 20 years, $3,302 when amortized over 25 years and $4,076 in the case of a 30-year loan.

Attention should be given not only to the immediate need for houses but also to the long-range stability of the housing market and of our economic system. It is in everyone's interest that residential construction be spread over a period of years rather than lumped in a few years, the report states.

The Building Record

A record total of 76,738 housing units were completed in 1947 and there were 42,215 units under construction at the end of the year. Units started in the first three months of this year were greater in number than in the corresponding period of 1947 so that indications are further progress will be made in 1948.

The real need is for rental housing, of which a comparatively small volume is being built, the Association states. When the inflation is squeezed out of present-day building costs, it will be possible to build rental houses for which it will not be necessary to charge such high rents. While rentals can now be obtained which will yield a fair return even on inflated costs, investors are fearful, and rightly so, that such rentals cannot be maintained over a long period of years: To the extent that easy mortgage credit by encouraging people to buy houses at inflated prices results in further inflation, the attraction of equity money to investment and rental housing will be postponed, the report states.

Here Are Items Being Added To Import Control on May 15

Following is a complete list of those items in schedule 3 of the Emergency Exchange Conservation Act which will come under import control on May 15, (see page 1) and for which importers must secure permits after that date:

ex 413—Machinery and apparatus, of a class or kind not made in Canada, parts thereof for production use, specially constructed for preparing, manufacturing, testing or finishing yarns, cordage, and fabrics made from textile fibres or from paper, imported for use exclusively by manufacturers and scholastic or charitable institutions in such processes only.

ex 414—Complete parts of typewriters for production use.

ex 414a—Complete parts of dictating, transcribing and cylinder shaving machines for production use.

ex 414c—Bookkeeping, calculating and invoicing machines, and complete parts thereof for production use, and complete parts of adding machines for production use.

ex 415—Electric vacuum cleaners and attachments therefor; hand vacuum cleaners; and complete parts for all the foregoing for production use.

ex 415b—Complete parts of washing machines, domestic for production use.

ex 415c—Complete parts of domestic clothes wringers for production use.

ex 415d—Sewing machines, other than domestic, with or without motive power incorporated therein; complete parts of sewing machines for production use.

ex 420—Machinery of a class or kind not made in Canada, when imported by manufacturers of leather for use exclusively in the tanning of leather or the embossing of leather, in their own factories, under regulations prescribed by the Minister, and complete parts thereof for production use.

ex 424—Fire engines and other fire extinguishing machines and chassis for same; complete parts of the foregoing for production use other than chassis parts.

ex 428e—Diesel and semi-Diesel engines, n.o.p.; complete parts thereof for production use.

ex 428f—Air-cooled internal combustion engines of not greater than 1½ h.p. rating.

ex 445d—Complete parts of electric wireless or radio apparatus, n.o.p., for production use.

ex 445—Acid-free capacitor tissue and paper, plain and gummed; metal cans, extruded, plated or unplated; automatic record changers; parts for pickups; bias cells and holders, frames, yokes, brackets, pole-pieces, gaskets and field covers, separate or assembled for use in speakers with mounting diameter not exceeding 61 inches; cones, spiders, spider suspensions, voice coils and voice coil dust covers, separate or assembled; magnetic structures and parts thereof for permanent magnet speakers; glass dial crystals and scales and metal dials or scales made by the silk-screen process; metal cabinet escutcheons without crystals, plain or finished; high frequency circuit switches and essential components thereof; high frequency iron cores with or without inserts moulded therein; motors and gears for automatic tuning; radio frequency ceramics; raw low loss mica; sheets and punchings of low loss mica; tube shields and parts thereof; vibrators; vulcanized fibre in sheets, rods, strips or tubing; high frequency coil forms and tubing having an outside diameter not exceeding one inch; for use in the manufacture of the goods enumerated in tariff items 445d, 597a, and other apparatus using radio tubes, or for use in the manufacture of parts therefor.

ex 461a—Automatic scales or weighing machines, of a class or kind not made in Canada for use in Canadian manufactures; complete parts of the foregoing for production use.

Ottawa Immigration Plans May Bring 100,000 in '48

OTTAWA (Staff) — Immigration plans which may well bring between 90,000 to 100,000 persons to Canada in the present year are now actively in operation.

For the fiscal year which began on April 1, the total may run well over the 100,000 mark.

Two new phases of the increased "target" are:

1. A raising of the ceiling on otherwise ineligible "DP's" from 20,000 to 30,000.

2. Announcement that the new federally-sponsored TCA program with a target of 10,000 persons a year, will start May 12.

Other important parts of the program include:

1. A priority movement from United Kingdom of at least 12,000 persons via the Aquitania.

2. An agreement with the Netherlands for bringing approximately 10,000 persons by sea in Dutch ships.

3. The possibility that the new agreement with KLM airlines permitting that company to fly direct to Montreal, will add considerably to the movement from the Netherlands.

One further program is the plan now under discussion for Canada to finance the movement of 1,000 DP families to this country. Estimated cost to the government is placed at $1 million.

Raising DP Ceiling

Since the middle of July, 1947, Canada has already brought between 18,000 and 19,000 special category DP'S into the country. What is important here is that these persons are only those who otherwise would be ineligible to come to Canada. The original ceiling for this movement was 10,000. This was later raised to 20,000 and a few days ago to 30,000. Almost all persons under this program are earmarked for specific industries or company employment. Since commitments are made well in advance of actual arrival, it is necessary to keep pushing the ceiling up as earlier arrangements are concluded.

Outside this special group of DP's are all those who are free to come to Canada without any special arrangement. This group includes persons who have relatives here, farmers, etc., in all, it is estimated that the cumulative movement of displaced persons to Canada will have topped the 100,000 mark during 1948.

Ultimate success of the new TCA program will depend on the extent to which U. K. and European residents are willing to pay the premium passage for an air flight, now that increasing steamship transport is available.

There is some belief that Ontario took the cream off this business.

How Payment Works

Price of each passage is to be $288. Against this, the Government has underwritten a payment of $11,500 per plane load on the basis of three flights a week. There is a clause permitting a 20% reduction from this commitment if the business offered does not come up to expectations.

Cost to the Government will depend entirely on how many persons use this plan over the period and how many can be scheduled per plane. It is hoped to be able to put close to 38 persons in each plane. If this were achieved, the fares would come within $500 of total cost to the Government. In short, the outlay by Ottawa would then be in the neighborhood of $15 per passenger.

If actual movement drops to say only 30 persons per plane the cost would rise sharply to about $100 per immigrant.

Decision to send Captain E. S. Brand, co-ordinator of immigrant transport to Britain immediately is indicative of eagerness on the part of Federal authorities to make this plan a success. Fred Taylor of Vancouver will also assist and eventually replace Mr Brand in London. Maximum co-operation between TCA and the immigration and other Federal authorities is promised.

The Netherlands' Plan

The new arrangement with the Netherlands is important in that not only will that country provide its own transport but it will use part of its Canadian credits to provide its nationals with Canadian funds when they arrive here.

As well, the announcement that KLM is going to operate a direct service from Amsterdam to Montreal may provide additional opportunity for a Netherlands-Canada movement similar to the TCA plan.

Prairie Prov. Farm Mortgage Debt Off 16%

Mortgage and agreement for sale debts of farmers in the three prairie provinces declined 16.4% in 1947 and are only about one-quarter of what they were at the end of 1937, according to the annual report of Dominion Mortgage & Investments Association.

Not only does this indicate a healthier condition for investors in western mortgages, but it also reveals a strong basis for the continuation of sales of farm equipment and other goods to the farmers.

Debt estimates are based on the experience of 30 life insurance, trust and loan companies which have a substantial investment in farm mortgages and agreements for sale located in all sections of the prairie provinces.

The demand for farm loans in 1947 was not great. Member companies approved loans totalling $6.1 millions, of which more than a third were in Ontario.

The total amount owing to the 30 companies in Manitoba declined 16.6% in 1947; in Saskatchewan 18.2% and in Alberta 10%. The percentage reduction in Manitoba since the end of 1937 is 79%; in Saskatchewan 72% and in Alberta 76%.

The decrease in the amount owing to the 30 companies is shown by the following table:

	1947	1946	1937
	(Thousands of Dollars)		
Manitoba	6,236	7,479	29,560
Saskatchewan	27,682	33,879	99,367
Alberta	9,600	10,677	39,734
	43,518	52,035	168,661

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

REGENT KNITTING MILLS 1947 net profit was $440,455 ($427,352 in 1946). Company products continue to enjoy a ready demand and the plant is capable of greater production now that controls are lifted, President C. G. de Tonnancour states. Working capital stood at $918,416 as at year end ($819,494 the previous year).

INCOME ACCOUNT

Years Enden Dec. 31:	1947	1946
Net earnings	$1,171,546	$1,227,266
Less: Bond int.	11,457	12,837
Bank interest	55,125	38,077
Depreciation	186,124	100,614
Inc. taxes	475,000	645,000
Bond expense	3,386	3,386
Net profit†	440,454	427,352
Less: Pref. divds.	25,600	25,600
Com. divds.	32,505	32,505
Surplus for year	382,349	369,247

†Not including $1,063 prof. on sale of bonds in 1946, $14,067 in 1947.

Times Bond Interest Earned:		
Before deprec.	97.44	92.64
After deprec.	81.20	84.80
Earnings per Share and Dividend Record:		
Preferred	$27.53	$26.71
Paid	1.60	1.60
Common	6.38	6.18
Paid	0.50	0.50

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$29,141	$319,370
Accts. rec.	779,918	571,915
Inventories	2,142,568	2,015,682
Total curr. assets	2,951,627	2,906,967
Misc. assets▲	359,604	327,998
Fixed assets*	1,434,329	1,171,099
Total assets	4,745,560	4,406,064
Bk. loan & o'rdraft	1,141,108	1,159,247
Accts. & tax. pay.	892,103	928,226
Total curr. liab.	2,033,211	2,087,473
Funded debt	290,000	312,500
Cap. losses res.	62,924	40,270
Capital stock	1,180,108	1,180,108
Surplus▲	1,179,317	785,713
*After depr. of	1,543,702	1,370,505
▲Incl. ref. EPT	295,061	295,061
Working capital	918,416	819,494

CONSOLIDATED OKA SAND & GRAVEL had a net profit of $532 for 1947, against $2,108 in 1946. As at Dec. 31, 1947, deficit forward, after adjustments, totaled $20,961. Production was increased by 36,882 tons over 1946 and sales volume covering the same period was increased by 63,504 tons. During the year $79,387 was spent on maintenance and repairs.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$76,686	$76,877
Accts. rec., etc.	45,685	29,830
Inventories	39,276	47,478
Total curr. assets	161,647	154,185
Misc. assets	14,522	12,927
Fixed assets*	278,956	281,282
Total assets	455,125	448,394
Total curr. liab.	37,016	14,569
Funded debt	201,000	225,800
Cap. stock: Pref.	95,475	95,475
Common	142,595	142,593
Less: Deficit	20,961	30,045
*After deprec. of	429,362	421,490
Working capital	124,631	139,616

Deficit Account — For the year ended Dec. 31, 1947, net profit of $532 was realized after depreciation of $18,593, as compared with profit of $2,108 in 1946, after depreciation of $17,164. At Dec. 31, 1947, deficit forward, after adjustments, totalled $20,961.

UNITED SERVICE CORP. 1947 net profit was up 6.3%. Sales were $8,347,500 as compared with $7,227,000. Merchandise was in better supply and inventories are more in line with company requirements, President Fred C. Manning states. To extend and consolidate corporation's business, $809,924 was expended on new properties and equipment.

CONS. INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Sales	$8,347,500	$7,227,000
Net earnings	1,149,538	1,034,764
Less: Deprec.	340,336	228,280
Bond int.	31,423	32,475
Note int.	9,450	9,450
Subs. bd. int.	34,800	30,453
Bond exp.	15,890	20,045
Bad debts prov.	11,524	12,754
Income taxes	282,977	306,262
Add: Invest. sale	27,628	43,623
Int. & disc. (net)	39,138	22,264
Net profit	490,202	460,832
Less: Subs. divd.	20,040	16,500
Pref. divd.	48,199	50,969
Surplus for year	421,963	393,363
Earnings per Share* and Dividend Record:		
Preferred	$3.23	$3.05
Paid	0.35	0.35
Class A	3.27	3.05
Class B	2.67	2.45

None paid on classes A & B.
*Based on present capitalization; full year's cl. A divd. allowed before cl. B earnings.

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$863,028	$1,668,434
Accts. rec.	663,454	547,341
Inventories	1,199,629	621,582
Total curr. assets	2,726,111	2,837,357
Misc. assets▲	230,835	231,510
Investments	485,590	444,302
Fixed assets*	2,515,376	1,895,592
Total assets	5,957,912	5,408,761
Total curr. liabs.	950,015	962,827
Funded debt	1,710,000	1,770,000
Subsid. pref. shs.	500,000	300,000
Capital stock	728,142	728,142
Divd. approp.	236,250	236,250
Earned surplus▲	1,833,505	1,411,542
*After depr. of	1,294,157	1,036,583
▲Incl. ref. EPT	27,519	25,723
Working capital	1,776,096	1,874,530

MCWATTERS GOLD MINES carried out prospecting and completed necessary assessment work on the 35 claims held in Bachelor Lake area, Que., in 1947. A group of 35 claims was staked in twp. 609, south of Lake Mattagami. No work was done on original group in Rouyn twp. Holdings have been retained in twp. 517, Opawica district and Destor twp. Current assets were $93,239 and current liabilities $2,752 at Dec. 31.

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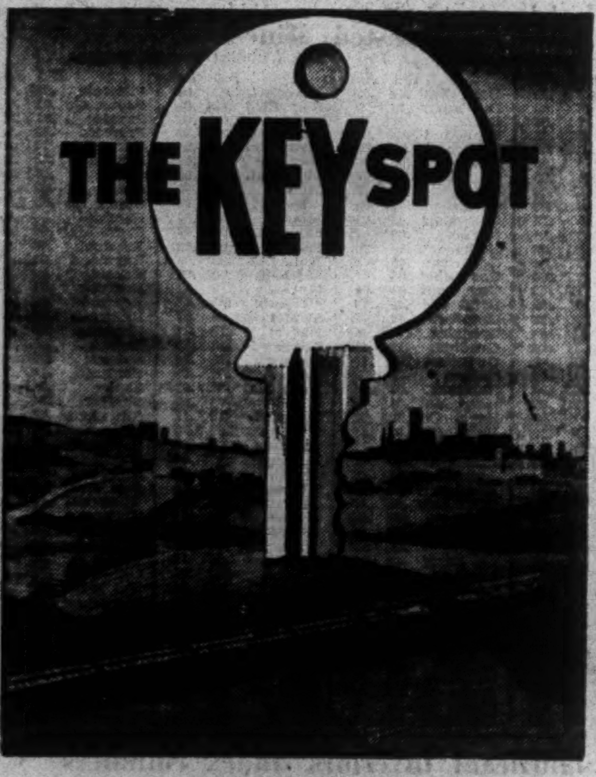

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CANADIAN NATIONAL RAILWAYS

DEPARTMENT OF RESEARCH & DEVELOPMENT
360 McGILL St., MONTREAL 1, QUE.

Powell River's Production Objective Is 2.5% Higher

The year 1947 was satisfactory and, if no unforeseen interruption occurs, we believe it is safe to say that 1948 will also be a satisfactory year, Harold S. Foley, President of Powell River Co., told shareholders at the annual meeting in Vancouver last week.

The company's combined newsprint and pulp production objective for 1948 is 290,000 tons, Mr. Foley stated. The company produced 283,006 tons in 1947 as against an objective of 280,000 tons announced at the previous annual meeting.

Sales have been limited only by ability to produce, Mr. Foley added. The company follows the policy of making its products available for areas which are, and will continue to be, normal markets for its newsprint and pulp even though the sales price is considerably less than might be obtained in spot or abnormal markets and hopes this long-range policy will be beneficial, Mr. Foley said.

While production costs, as in every industry, continue to increase, capital expenditures for mechanization and improvements, together with close co-ordination between research, engineering and manufacturing departments has brought about improved methods of operation and economies in wood consumption, he added.

"The present intention of the board of directors is to continue during 1948 the disbursements of dividends in an amount approximating 60% of the year's net earnings, such distribution to consist of regular quarterly dividends at 40c per share, and extra dividends payable in June 1948, and December or during the first quarter of 1949," Mr. Foley said.

Dividend Prospects

"Dividends for future years, of course, must be determined by the board of directors from time to time depending upon general financial conditions, the earnings, operations and capital requirements of the company and its subsidiaries, and other factors affecting the company's outlook, but it is the hope of the present board of directors that such general conditions will permit future boards of directors to adhere to the policy now announced for 1948," he added.

All expenditures for timber, expansion and improvements have been financed out of earnings and depreciation, and it is the intention to continue this policy during 1948, Mr. Foley stated.

"While we have a continuing program of plant improvements, the major projects of our post-war development program so far undertaken will be completed and paid for this year. Aside from the modernization of our sawmill, construction of a new wharf and chip storage facilities, your directors have no further plans for embarking on additional major capital projects during 1948."

Projects still under way are on schedule, Mr. Foley said. Some of his comments on the program were:

1. The large hydraulic barker, which came into operation last year, was put on three-shift operation by the end of March while a small hydraulic barker to handle salvage wood and farm lot wood which could not previously be handled in the plant was put into operation late in July. In conjunction with these barkers a chipper which chips an entire log was installed. These installations have decreased the footage of logs used per ton of product by approximately 12%. In addition to dollar savings, these installations extend the life of the forest resources.

2. The dam on the Lois River was raised to its final elevation and a second 8,000 k.v.a. generator was installed in the powerhouse. This brings the hydro-electric capacity of the company's two power projects at Powell River and Lois River to 95,000 hp—sufficient to take care of requirements on completion of the present development program.

3. Every effort is being exerted to get the new No. 8 newsprint machine into production during July. This machine will cost about $2,700,000, whereas No. 7 which is the same size and was installed in 1931, cost $1,400,000.

V. G. YOUNGHUSBAND

vice-president of The Foundation Co. of Canada, has been elected a director of the company with which he has been connected since 1920.

New Process Being Completed

4. Work on an entirely new process of producing sulphite pulp is nearing completion and will substantially increase the news-grade sulphite pulp produced per thousand feet of logs. "We hope that this increase will be in excess of 30% which will result in a reduction in manufacturing costs and further conserve timber resources to the extent of approximately seven million feet per year."

5. Good progress is being made on the extension of the groundwood mill and it will be ready to meet production requirements when the new newsprint machine comes into operation.

6. A new consolidated mill stores building has been completed at a cost of $460,000.

7. In order to alleviate the housing situation a modern lodge costing $65,000 not including furnishings was completed which will house 113 single male employees. Several small duplexes were built in the townsite.

8. A new 1,200 Diesel tug was acquired for $108,000, also three barges and a small work boat costing $46,000.

9. Installation of an additional digestor was completed in the sulphite process and the technical staff has been able to work out changes which have increased the output of sulphite pulp for sale by approximately 10 tons a day.

10. A refining system installed in the groundwood pulp mill together with other improvements has materially increased its production.

Referring to the B. C. Forest Act, Mr. Foley stated: "We have complied with certain preliminary requirements as set out in the Forest Act for the acquisition of a management licence. However, much remains to be done in the way of gathering accurate data in the field to supplement our preliminary application. Also, many practical problems in connection with management licenses still remain to be solved by the Government before your company could justifiably enter into a long-term agreement of this nature. We are co-operating with the Government to reach this end, but it appears that considerable time must elapse before a workable plan is developed.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

ONTARIO BEAUTY SUPPLY CO. 1947 net profit was off somewhat from previous year at $33,296 ($40,189). Sales were down slightly but were still in excess of 1945. During the year several important lines were reduced in price by the manufacturers, requiring a write-down on inventory. In addition special drives were conducted to reduce and balance inventories and to dispose of overstocks and discontinued lines at reduced prices. These factors tended to reduce profit margin for the year, the annual report states.

Sales for the first quarter of 1948, in spite of import restrictions and unfavorable weather, were very close to the same period of last year. With several items affected by import controls now being made in Canada, and others being replaced by Canadian-made items, prospects for increased sales in 1948 appear favorable.

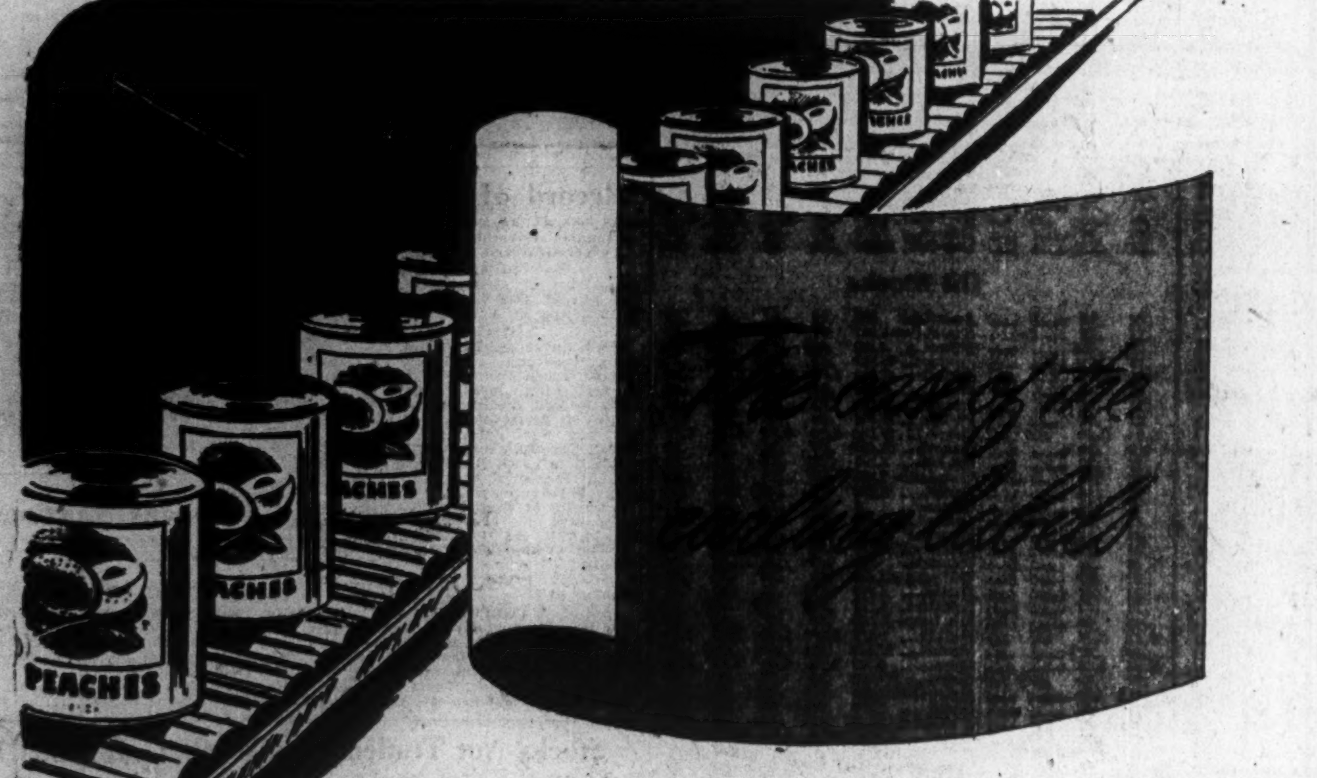
STATEMENT OF EARNINGS

Years Ended Dec. 31:	1947	1946
Total net earnings	$59,507	$83,571
Less: Deprec.	1,321	1,202
Mtge. int.	439	489
Taxes	24,451	41,691
Net profit	33,296	40,189
Less: Pref. divs.	18,000	17,250
Com. divs.	12,000	9,000
Surplus for year	3,296	13,939
Earnings per Share and Dividend Record:		
Before participation:		
Preferred	$2.22	$2.68
After participation:		
Preferred	1.24	1.34
Paid	1.00+0.20	1.00+0.15
Common	0.24	0.34
Paid	0.20	0.15

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$107,948	$96,132
Accts., etc., rec.	123,983	132,803
Inventories	165,034	191,802
Total curr. assets	396,965	420,737
Misc. assets▲	10,975	12,308
Fixed assets*	36,268	36,406
Total assets	444,208	469,451
Accts. & tax pay.	130,289	157,792
Other curr. liabs.	4,750	4,750
Total curr. liabs.	135,039	162,542
Deferred liab.	7,500	8,500
Capital stock	40,000	40,000
Earned surplus•	261,669	258,409
*After depr. of	16,338	15,147
▲Incl. ref. EPT	10,570	11,059
•Incl. ref. EPT	11,059	11,059
Working capital	261,926	258,195

GENERAL PRODUCTS MFG. CO. has advised that 153 shares of preferred stock have been purchased for redemption and cancellation, reducing number of preferred outstanding to 3,903 shares.



Problem: Curling labels were greying the hair of a canning plant executive. Production slumped, costs jumped, because the curl constantly jammed the labelling machine. Worried, the executive appealed to Provincial Paper Limited.

Solution: Provincial technicians recommended curl-resistant Claycoat Enamel Litho. It stays flat under ordinary conditions, prints up to four colours without picking, varnishes easily—or looks well even without varnish. Claycoat saved that canning plant trouble, time and money.

DEVELOPING papers that solve tough printing problems is Provincial Paper's specialty . . . which explains why for 40 years they have been Canada's most-used printing papers.

Another example of these special grades is Provincial's new Thriftcoat Enamel, made and coated in a single operation. Thriftcoat imparts a quality look at "uncoated" prices to folders, booklets, catalogues, takes one or four-colour halftones equally well.

Whatever your printing project, for quality results at lower costs, insist on Provincial Papers.

388 UNIVERSITY AVENUE, TORONTO 2, ONTARIO

An Invitation to Businessmen

On Behalf of Producers of the World's Goods

from

We invite you to the CANADIAN INTERNATIONAL TRADE FAIR

MAY 31 to JUNE 12 - 1948, TORONTO, ONTARIO

...and we think you'll profit by coming

THIS WILL BE THE FIRST International Trade Fair ever to be held in North America. It is sponsored by the Government of Canada.

• It will be devoted entirely to business. The general public will not be admitted except on Saturdays. Every exhibit has been accepted on the condition that the goods displayed are for sale and can be delivered within a reasonable time. Transactions can be completed on the spot.

• The products of more than 25 countries will be on display, and buyers will come from every quarter of the globe. For the period of this fair Toronto will be a world market-place — the sample room of the world on your doorstep — within a convenient day's journey from any city in Canada.

• Canada will be the host — but the Fair will belong to the traders and businessmen of all the nations. There will be interpreters — special cable and communications services — private restaurants and meeting rooms — all the facilities you need to do business with all the world, comfortably and conveniently.

• Official invitations, which are required for admission, may be obtained on application to the Canadian International Trade Fair, Canadian National Exhibition Grounds, Toronto, Canada.

Department of Trade and Commerce
OTTAWA, CANADA

THIS WEEK'S QUOTATIONS

Montreal and Toronto Winnipeg, Calgary and Vancouver

Quotations here listed are the official stock exchange prices for listed stocks including curb market quotations. For unlisted stocks, quotations by unlisted dealers are given. The Financial Post cannot accept any responsibility for these quotations.

WEEK ENDING APRIL 30

Range 1948 High	Low	Div R'te $	Apr30 Y'ld %		Sales	Last Apr. 23	Week end. Apr.30 H	L	Cl'se
17½	12½	...	...	Abitibi, new	6491	16½	16½	16	16½
20½	17½	1.50	7.3	Do. $1.50 p. n.	6900	20	20½	20	20½
39	35½	2.50	6.6	Do. $2.50 p. n.	540	38	39	38	38
19	16½	1.00	5.7	Acadia Atlan A	485	17	17½	16½	17½
101	96	5.00	5.0	Do. 5% pref.	40	100	100	100	100
10	9	†.25	..	Acme Glove	50	10	9½	9½	9½
9	7½	.50	6.2	Agnew Surp.	260	8½	8½	8	8½
87	33½	..	...	Algoma Steel	3266	56½	56½	53½	53½
25½	24	1.00	4.0	Alum of Can p	2000	25	25½	24½	25
54½	43	†.50	..	Aluminum n.	1900	54½	54½	52	52
10	6½	†▲.15	..	Andian Nat.	170	7	7½	7½	7½
49	46½	2.25	4.8	Ang. Can Tel p	20	47	47	46½	46½
20	15	▲.60+.40		Anglo Newf'd	205	15	17	16½	16½

Range 1948 High	Low	Div R'te $	Apr30 Y'ld %		Sales	Last Apr. 23	Week end. Apr.30 H	L	Cl'se
55½	42½	3.00+†.50		Fraser Cos.	1870	54½	55	54	55
94	86½	4.00	4.4	Gair Co. Can p	5	90	90	90	90
20	18½	1.20+†.10		Gatineau Pwr.	295	20	20	19½	19½
108	101	5.00	4.9	Do. pref.	143	102½	103	102½	103
111	107½	5.50	5.1	Do. 5½%	10	108	108½	107½	107½
4	2½	..	..	Gen. Bakeries	1125	3½	3½	3½	3½
16½	14	.80	5.1	Gen. St. Wares	1077	15	16½	15½	15½
106½	99	5.00	5.0	Do. pref.	55	100	102	99	101
112	101	4.00+†3.00		Goodyear Tire	125	108	112	110	112
53	49	2.00	3.9	Do. pref.	125	51	53	51	51½
10½	10	.50	4.8	G. MacKay A.	55	10½	10½	10½	10½
23	22	.50+.12½		Do. "B"	50	22	22½	22½	22½

Range 1948 High	Low	Div R'te $	Apr30 Y'ld %		Sales	Last Apr. 23	Week end. Apr.30 H	L	Cl'se
29½	26½	1.00+▲.50		Westeel	325	29½	29½	29	29½
28	21½	.80	3.2	Weston George	505	25½	25½	25	25
101½	97	4.50	4.6	Do. 4½% pref	305	99	99	98	98½
21	19	1.00	5.1	Wilsils	355	20	20	19½	19½
10½	9	..	...	Windsor Hotel	259	10	10½	10	10½
26	20½	▲1.00	..	Winnipeg El. A	9954	24½	26	24½	25½
100	95	5.00	5.1	Do. pref.	1691	98	100	97	99
4½	3½	..	...	York Knitt. BN	25	3½	3½	3½	3½
36	34½	1.50	4.2	Zellers	305	34½	35½	35	35½
28½	27½	1.50	5.4	Do. 6% pref.	600	27½	28	28	28

†Paid or payable in 1948. ▲On arrears. ‡Paid in 1947. §Paid in 1946. ‡Extras. ▲Dividend deferred. *N. Y. funds. ‡‡Net after income taxes. ‡‡For each 20 shares held.

[illegible]

Mining Stocks

Week Ended April 30

[illegible]

Oil Stocks

Range 1948 High	Low	Div. Rate	Apr. 30 Yield %	Company	Sales	Last Apr.	Week Ending Apr. 30 High	Low	Close
1.35	1.15	.....	....	Texas Can.	20	1.20	1.35	1.35	1.35
.30	.20	.....	....	Turner V	1,500	.26	.30	.30	.30
.15½	.09	.....	....	United Oils	2,500	.11	.11	.11	.11
.19	.12	.....	....	Vanalta	8,100	.16½	.17	.15	.15
.35	.20	.....	....	Vulcan	3,400	.25	.26	.25	.25
.08	.04	.....	....	Wellington	6,100	.06	.07	.07	.07
.10	.03½	.....	....	York Oils	1,000	.06	.07	.07	.07

* N. Y. Funds. ‡ Extra. ‡ Paid in 1946. ‡ Capital Repayment. ▲ Dividend deferred. § Paid in 1947. † Paid or payable in 1948.

Volume of Stock Sales

	Montreal	Toronto	Calgary	Vancouver	New York
May 3	244,800	970,000	130,235	88,521	1,430,000
May 1	157,900	567,000	29,716	31,915	610,000
Apr. 30	271,300	1,496,000	......	84,101	1,780,000
Apr. 29	253,900	1,470,000	88,015	103,245	1,860,000
Apr. 28	244,300	1,357,000	73,440	80,197	1,730,000
Apr. 27	170,500	978,000	90,102	91,245	1,750,000

Unlisted Mines

Approximate quotations, 3 p.m., May 3, subject to confirmation:

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abenakis	.02½	.03½	Dona Pat	.01	.02	Marquette	.02	.04	Pinnacle	.01½	.02½
Advance	.03	.05	Durham	.13	.15	Mar Bird	.03½	.05	Poona Go	.01	.02
Alcan	.02	.04	Doris	.01½	.03	Mary Ann	.03	.06	Presdor	.01½	.02½
Alexander	.03	.05	Echo Ind	.03	.05	Mat Con	.32	.37	Princess	.09	.11
Aljo	.01½	.03	Electra	.03	.05	Mate Yel	.03½	.06	Princeton	..	.20
Ama Kir	.05½	.06½	Elmac	.03	.05	Metalore	.03½	.04½	Privateer	.20	.25
Anna'que	.01	.03	Erin Kirk	.01½	.02½	Miles RL	.05	.06	Quejo	.03½	.04½
Argonaut	.02	.04	Eltoro	..	.17	Mindus	.03½	.05	Quest	.02	.03
Audley	.01	.02	Flicka	.01½	.03	Do. vt	.03½	.05	Rajah RL	.02	.05
Aurora Y	.09	.12	Gan Cop	.02	.04	Mink	.04	.07	Rambull	..	.02
Auterra	.00½	.01½	Gilbec	.00½	.01½	Mistassini	.20	.24	Rand Mal	.04	.06
Baker	.03	.05	Goldpac	.15	.20	Moffat H	.01½	.02½	Randona	.06	.09
Barb L n	.02	.04	Goodrock	.00½	.01½	Mohawk	.02	.04	Raymond	.01½	.02½
Beauriv	.02	.04	Gor Lebel	.05	.07	Murbell	.00½	.01½	Rebair	..	.23
Bi Ore	.43	.48	Gov Gold	.02	.04	Murmac	.19	.21	Redruth	.01	.02
Blondor	.01	.02	Grnd Chi	.25	.40	McCuaig	.06½	.07	Redwood	.06	.07
Blue Gras	.01	.03	Granleduc	.42	.47	McManus	.05	.07	Richgrup	.04	.06
Bouzanne	.03	.05	Greenlee	.05	.05½	Nat M	.15	.17	Rhyolite	.03	.04
Bourl C	.02	.04	Grndhog	.10	.15	Nayb '45	.10	.15	Russet	.05	.07
Bradnor	.01	.03	Gwilliam	.04	.05	Newcore	.15	.20	Salmita	.06	.08
Br Breest	.01	.02	Halden	.06	.08	New Aug	.07	.09	Santiago	.14	.17
Braminco	.13	.17	Habitant	.03	.04	New Mal	.02	.03	Sepha	.01½	.02½
Bravo	.01½	.02½	Harp Mal	.01½	.02	Nw Ranch	.08	.09	Sheldon	.14	.17
Bright RL	.02½	.03½	Hayes Cd	.00½	.02	Nickel L	.10	.12	Silv Arro	.12	.15
B McDade	.10	.12	Hornfault	.07	.09	N Offsets	2.00	2.30	Skynner	.01	.02
Burley Po	.01	.02	Hugh Pam	.09	.11	Norbeau	.50	.55	Sovereign	.03	.05
Camlaren	.05	.07	Independ	.05	.07	Norcourt	.03½	.04½	Starlight	.03½	.05
Captain	.02	..	Joannes D	.01½	.03	Norford	.01	.02	Steeber	.00½	.01
Carlmac	.02	.04	Kamlac	.11	.13	Normar	..	.05	Sun Bear	.07	.09
Carricona	.01½	.02½	Ken Bay	.08	.10	Nortyne	.01	.03	Thornhill	.00½	.01½
Cassidy	.04	.06	Kencour	.02	.04	Novele P	.02	.04	Tiffany	.01½	.02½
Cen Mani	.07½	.08½	Kenda Pe	.07	.10	Obalski	.04	.08	Tobico	.01½	.03½
Cock RL	.02	.03	Kenroy	.01	.02	Do. '45	.08	.10	Tovarich	.00½	.01½
Columbier	.02	.03	Lk Expa	.05	.07	Obaska	.10	.12	Trans A	.80	1.00
Con Chib	.26	.30	Lar-Add	.02	.04	Oklend	.03	.04	Universal	.02	.04
Con Co-op	.15	.17	La Salle	.05	.06	Olivet	.01½	.02½	Val d'Bel	.02	.03
Courageo	.01½	.02½	Lavalie	.02	.03	Opemiska	.10	.12	Vermilion	.25	.32
Craibbe	.05	.07	Legardo	.01	.02	Orofino	.25	.27	Viking	.30	.35
Croydon	.03	.06	Lennie	.03	.05	Ortona	.03½	.04½	Vinray	.04	.05
Cuyuni	.13	.16	Lingnora	.13	.16	Palermo	..	.20	Wesley	.01	.02
Delhi	.03	.05	Louvore	.01	.02	Pascalis	.12	.14	West RL	.02	.03
Derlak	.02½	.03½	Macho-R	.06	.10	Peg Tant	..	.40	Wilwood	.01	.02
De Sant n	.03	.05	Major Oil	.03½	.04½	Pelangio	.03	.04	Yelknife	1.25	1.40
Dom Mal	.01	.02	Malen RL	.10	.12	Payne	.05	.07	Do. vt	1.25	1.40
Dom Nick	.04	.06	Marbenor	.07	.09	Phelps	.01½	.02½	Y Davids	.18	.20

Significant Investors' Index Numbers

	Mach. and equip.	Pulp and paper	Milling	Oils	Textiles and clothing	Food and allied prod.	Beverages	Bldg. mater.	Power and traction	Banks	Total utilities	Total co's.
No. of Securities	10	8	4	4	9	13	8	16	14	8	16	100
(Base 1935-39=100)												
*1935 to date:												
High	210.2	287.9	149.7	123.7	214.4	138.5	447.0	168.5	146.2	136.3	149.0	126.1
Low	69.7	51.6	61.2	41.3	78.4	73.5	79.3	66.7	60.2	60.0	65.2	61.1
1948: Monthly Figures:												
Jan.	189.8	261.9	113.8	70.5	188.4	117.6	312.6	132.6	101.4	132.5	112.9	107.5
Feb.	179.7	242.7	105.5	65.8	185.3	111.8	284.1	122.5	95.2	129.7	110.1	102.2
1948: Weekly Figures:												
Mar. 4	185.4	246.2	104.1	65.4	188.7	110.0	291.1	121.1	98.1	127.7	107.8	101.4
Mar. 11	188.4	245.3	104.6	64.7	188.8	109.9	287.4	122.1	97.6	128.5	107.2	101.3
Mar. 18	184.1	235.4	105.8	64.0	179.6	108.5	277.7	120.3	95.7	128.9	105.5	99.3
Mar. 25	185.8	247.9	105.2	66.8	189.4	109.9	302.5	122.2	102.3	126.0	109.2	103.4
Apr. 1	196.9	251.2	106.6	67.7	188.5	110.1	306.4	124.7	102.1	125.1	112.4	105.5
Apr. 8	205.3	250.3	108.3	69.3	193.0	116.0	304.1	130.6	101.5	128.9	114.2	107.6
Apr. 15	212.3	253.6	108.2	69.9	194.7	115.3	307.5	132.0	103.1	128.9	114.9	108.8
Apr. 22	215.9	264.0	111.7	72.0	201.9	117.8	323.7	135.4	101.9	127.5	119.7	111.8
Apr. 29	215.1	262.4	110.2	71.4	208.5	116.9	321.2	137.3	103.7	128.0	121.2	111.7

*High and low for year from 1935 to date inclusive are based on weekly figures issued by Dominion Bureau of Statistics.

Dow-Jones Closing Stock Averages

	30 Indust.	20 Rails	15 Util.	65 Stocks
May 3	181.09	59.08	34.16	67.30
May 1	180.28	58.05	34.02	66.77
Apr. 30	180.51	58.15	34.08	66.86
Apr. 29	180.65	58.34	34.22	67.00
Apr. 28	181.01	58.21	34.15	67.01
Apr. 27	180.97	57.92	34.02	66.89
Month ago	177.92	54.12	33.54	64.92
Year ago	174.21	45.66	34.22	61.54
1948 High	183.78	59.21	34.22	67.68
1948 Low	165.39	48.13	31.65	59.89

Toronto Stock Exchange Index

	20 Indust.	20 Golds	10 B.M.	15 W.O.
May 3	177.17	95.76	100.21	42.29
May 1	176.84	96.28	100.29	41.32
Apr. 30	177.16	96.14	100.53	41.46
Apr. 29	177.10	94.04	101.77	41.55
Apr. 28	177.15	92.47	100.09	41.55
Apr. 27	176.95	92.69	100.00	41.58
Month ago	162.91	93.72	86.43	41.91
Year ago	169.14	101.95	84.67	32.92
1948 High	179.61	104.68	101.77	42.29
1948 Low	149.13	89.35	77.67	28.68

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Comb.	10 Pprs.	15 Golds
May 3	75.0	127.4	109.0	346.85	64.90
May 1	75.2	126.9	109.7	346.45	64.91
Apr. 30	75.2	126.9	110.3	352.97	64.32
Apr. 29	74.9	127.8	110.2	352.78	64.0
Apr. 28	74.9	127.5	109.9	351.00	63.80
Apr. 27	74.8	128.2	110.4	351.69	63.8
Month ago	71.9	119.5	103.6	330.27	65.19
Year ago	76.6	122.6	107.3	315.10	69.73
1948 High	75.5	128.6	110.9	371.48	74.82
1948 Low	70.7	108.0	95.7	290.26	62.11

Grain Prices

Winnipeg Grain Futures

Week to May 3, 1948

Crop year from Aug. 1, 1947 High	Low		High for week	Low for week	Close May 3
		Oats			
.95½	.72	May	.91¾	.90⅛	.91½
.93½	.68½	July	.85¾	.83⅛	.85
.83⅞	.66⅞	Oct.	.78⅞	.77	.78⅛
		Barley			
1.35⅞	1.06	May	1.19½	1.18⅛	1.18⅛
1.14½	1.01¾	July	1.14½	1.12⅞	1.13⅞
1.25¾	.98½	Oct.	1.05⅞	1.03¼	1.05
		Rye			
4.50	3.60	May	4.32	4.12	4.12
3.93½	3.01	July	3.62	3.43	3.47
3.05¼	1.68	Oct.	2.04	1.98	1.99

Cash Quotations

	For Week May 3 High	Low	Prev. Week High	Low
Oats				
2 C. W.	.94½	.92½	.93	.91⅞
3 C. W.	.92⅞	.91½	.91	.89⅞
Barley				
1 Feed	1.16⅞	1.14⅜	1.16⅜	1.14⅝
2 Feed	1.15⅞	1.11⅜	1.17⅞	1.11⅞
Rye				
2 C. W.	4.42	4.22	4.50¾	4.35

Record of Financing

Sales by Municipalities, Provincial and Dominion Government. Offerings of Corporations and Foreign Securities.

DOMINION

Dominion of Canada Treasury Bills—Due July 23, 1948, $75,000,000, issued Apr. 22, 1948. Sold at $99.89772 to yield .411%.

MUNICIPAL

Township of Scarboro, Ont.—3¼% and 3½% debentures, due May 1, 1949-67, $130,000, issued Mar., 1948. 1949-58 offered to yield 3.10%, 1959-67 offered to yield 3.60% by Bell, Gouinlock & Co., Ltd.

City of Riviere-du-Loup, Que. — 3%, 3¼% and 3½% debentures, due May 1, 1948-63, $269,700, issued Apr. 19, 1948. Sold at $98.33 to L. G. Beaubien & Co., Ltd.; Banque Provincial du Canada and Lagueux & Desrochers Ltd.

Township of Bertie, Ont. — 4% debentures, May 15, 1949-68, $67,000, issued Mar. 19, 1948. Sold to Harrison & Co., Ltd.

School Commission of Malartic, Que.—3% and 3½% debentures, due Oct. 1, 1948-57, $115,000, issued Apr. 19, 1948. Sold privately at $97.

CORPORATE

Western Plywood — 4½% first mortgage full sinking bonds series A, due May 1, 1958, $500,000, dated May 1, 1948. Offered at $100 and accrued interest to yield 4½% by Pemberton & Son, Vancouver, Ltd.

Industrial Acceptance—4% sinking fund debentures series C, due Nov. 1, 1966, $1,000,000, dated May 1, 1948. Sold at $99.75 and accrued interest to Greenshields & Co. Inc. and Wood, Gundy & Co. Ltd. This issue has already been sold.

Traders Finance — 4% sinking fund debentures, series B, due May 1, 1963, $2,000,000, dated May 1, 1948. Offered at $100 and accrued interest to yield 4% by McLeod, Young, Weir & Co., Ltd.

PREFERRED STOCKS

Western Plywood—45,000 class A cumulative preferential dividend shares non-callable (no par value), 22,500 class B common shares (no par value). Offered at $9 per unit consisting of 1 share class A and ½ share class B by Pemberton & Son, Vancouver, Ltd.

Company Meetings

1948	Company	Place
May 6	Photo Engravers	Toronto
May 7	Candn. Malartic Gold	Toronto
May 7	Dominion Coal	Montreal
May 7	Dom. Steel & Coal	Montreal
May 10	Intnl. Petroleum	Toronto
May 11	Vulcan Oils	Calgary
May 12	Conwest Explor.	Montreal
May 12	Intnl. Paper	New York
May 17	Teck-Hughes	Toronto
May 18	Richmond Bldg.	Toronto
May 26	Nipissing Mines	Toronto

Stocks Not Traded This Week (Continued)

	Div. rate $	Last sale	Apr. 30 Bid	Ask
Penmans pref.	6.00	149	130	..
People's Cr. Sec.	.25	5½	5½	7
Photo Eng.	1.50+†.75	25½	27	28
Premier Trust	2.00	55	50	60
Price Bros. pref.	4.00	95	95	97
Quinte Milk A	.60	9½	9	9½
Do. B	...	1.60	1.65	..
Regent Knit.	.50	28	27	..
Reitman's pref.	1.00	17	..	17
Reliance Grain	...	26	25	35
Renfrew Tex.	.60	7½	7½	8

[illegible]

	Div. rate	Last sale	Bid	Ask
Bunker Hill	...	.05½	.03½	.07
Canusa	...	.15	.15	..
Cartier Malartic	...	.03	.03	.03½
Celta Devel.	...	.06	.05	.08
Cent. Manitoba	...	.07½	.07	.08½
Congress	...	.03	.03	.04½
Cryderman	...	.01½		.01½
Flin Flon	...	.02½	.02	.04
George Copper	...	.12	.10	.15
Glenora	...	.02	.02½	.03

[illegible]

STOCKS NOT TRADED THIS WEEK

	Div. rate $	Last sale	Apr. 30 Bid	Ask
Mod. Contain	...	13	12	12½
Mod. Tool	.30	6	6½	7
Mon. Knit. pf. 4½%	4.50	97½	..	96
Mon. Life 30% pd.	12%	95½	93½	..
Montreal Cot.	.50	12	..	14
Do. pref.	1.75	38½	38	40
Mont. Is. Pr.	...	.20	.25	..
Mont. L. & Pr. N.	..	50	50	
Mont. Refrig. & S.	.30	20	22½	24
Do. 1ts pref.	1.50	29	29½	30
Montreal Tele.	§1.92	47½	..	47½
Moore Corp. pf. A.	▲7.00	286	292	..
Do pref. B	▲7.00	429	438	..

[illegible]

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

May 4, 1948

%	Due	Bid	Ask
Victory Loans:			
3	June 1951 ...	103¼	104¼
3	Mar. 1954 ...	103¾	104¾
3	Nov. 1956 ...	103½	104½
3	May 1957 ...	102½	103½
3	Jan. 1959 ...	101½	102½
3	June 1960 ...	101	101½
3	Feb. 1962 ...	100⅞	101⅛
1½	Nov. 1950 ...	100⅛	100½
3	Oct. 1963 ...	100½	101
3	Sept. 1966 ...	100½	101
1½	Nov 1949 ...	100½	101¼
1½	Nov. 1948 ...	100	100⅛
Dom. of Canada Bonds:			
3½	Nov. 1951 ...	100⅞	101⅛
2½	Feb. 1952 ...	.....	.....
3	Oct. 1952 ...	101⅞	102⅜
3	June 1955 ...	101½	102½
3	June 1958 ...	101½	102⅜
4½	Nov. 1959 ...	104	104⅞
3½	June 1966 ...	102	102⅞
3	Perpetual ...	98⅞	99⅞
4½	Nov. 1956 ...	101½	102
Dom. Guarant'd Bonds			
Can. Nat. Railways:			
3	Jan. 1959 ...	100⅞	101⅞
4½	Sept. 1951 ..	*106½	*108
4½	Feb. 1956 ..	*111	*113
4½	July 1957 ..	*113	*115
4½	June 1955 ..	*111½	*113½
5	Oct. 1969 ..	*108½	*109½
5	Feb. 1954 ...	112½	114
5	Feb. 1970 ..	*108⅞	*110
Can. Nat. W. Ind. S.S.:			
5	Mar. 1955 ..	*111½	*113½

%	Due	Bid	Ask
Grand Trunk Pacific Rly.:			
3	Jan. 1962 ...	*99½	*101½
4	Jan. 1962 ..	*110	*112½
Montreal Harbour Com.:			
5	Nov. 1969 ..	*108	*110
Provincial Govt. Bonds			
New Brunswick:			
4½	Apr. 1961 ...	112½	115½
5	Jan. 1960 ...	116	118½
2¾	June 1956 ...	89½	91½
Nova Scotia:			
3½	June 1956 ...	101	102½
4½	Nov. 1960 ...	118½	121½
5	Mar. 1960 ...	123	125½
3	June 1958 ...	99½	101
Ontario:			
3½	May 1955 ...	102½	103⅞
4	June 1962 ...	118	120½
4½	June 1950 ...	104½	105½
4½	Jan. 1962 ...	123½	126½
5	Oct. 1948 ...	100⅞	102
5	Dec. 1960 ...	128	131
2¾	July 1976 ...	88½	94½
Ont. Hydro Commission:			
4	Aug. 1957 ...	118½	116½
2¾	June 1971 ...	93½	94⅞
Prince Edward Island:			
4	Mar. 1954 ...	101½	103⅞

%	Due	Bid	Ask
Quebec:			
3½	Mar. 1959 ...	102½	103⅞
3¾	Feb. 1955 ...	104	105½
4½	Aug. 1958 ...	108⅞	110½
4½	Jan. 1963 ...	114½	115⅞
3	Feb. 1962 ...	99½	100⅞
4	Nov. 1952 ...	103½	105
Alberta:			
3½	June 1964 ...	100½	102
3½	June 1959 ...	102	104½
3½	June 1972 ...	101½	102⅞
British Columbia:			
4	Dec. 1957 ...	111½	115
4½	Jan. 1951 ...	103⅞	106½
4½	Oct. 1953 ...	114⅞	118
5	Apr. 1954 ...	116½	119½
2¾	Apr. 1966 ...	93½	95½
5	Sept. 1953 ...	108⅞	111½
Manitoba:			
4	Dec. 1957 ...	111½	115
4½	Dec. 1956 ...	116	119
5	Dec. 1959 ...	122½	125½
5½	Oct. 1955 ...	113⅞	116½
Saskatchewan:			
4	Sept. 1954 ...	99½	101½
4	Nov. 1960 ...	99½	101½
4½	Oct. 1951 ...	107	110
5	Aug. 1958 ...	106½	108½
4½	Mar. 1960 ...	105½	107⅞
5	Dec. 1959 ...	109	111½
5½	Oct. 1952 ...	104½	107½
6	Mar. 1952 ...	105⅞	108½

*N. Y. funds.

BUSINESS THIS WEEK

	APR.	MAR.	FEB.	JAN.	Year Ago
GOVERNMENT FINANCE (millions of $)					
Dominion total revenue	....	....	....	244.3	256.6
Dom. total expend.	....	....	....	149.2	171.3
MERCHANDISING					
Dept. store sales index no. (1)	....	....	195.1	192.3	189.3
Retail sales index (no.)	....	....	198.7	211.8	183.1
Wholesale sales index (no.)	....	....	239.5	244.6	231.4
FINANCE					
Dividend payment index (5)	195.1	194.5	193.4	192.9	189.3
▪Bank debits	....	....	227.5	246.8	229.4
▪Money supply (millions $)	....	....	746.6	7,479	7,555
NEWSPRINT CAPACITY					
Production ratio	....	99.1	99.1	98.6	101.8
Shipment ratio	....	97.3	95.5	92.1	102.1
RAILWAY FREIGHT LOADINGS					
Tons (D.B.S.)	....	226.6	186.3	210.1	205.7
Cars (D.B.S.)	....	164.6	159.6	172.3	151.9
COST OF LIVING					
D.B.S.	....	150.8	150.1	148.3	128.9
EMPLOYMENT INDEX					
▪All industries	....	189.0	189.3	193.7	180.4
▪Manufacturing	....	202.5	200.7	199.9	194.5
▪Payrolls (June 1/41=100) (2)	....	188.8	185.4	178.2	163.2

	1948	1947	1948 Jan. 1 to date	1947	% Change
RAILWAYS—(000's omitted)					
▪Carloadings (week Apr. 24)	74.6	76.0	1,230.5	1,171.8	+5.0
C.N.R. gross rev. (Mar.)	38,651	36,350	106,670	100,276	+6.3
C.N.R. net rev. (Mar.)	2,838	4,077	1,545	5,478	—71.8
▪C.P.R. gross rev. (Feb.)	24,288	21,036	49,212	44,394	+10.8
C.P.R. net rev. (Feb.)	—334	1,027	—230	—840	—72.6
IRON AND STEEL (000's omitted) (Feb.)					
Pig iron production (tons)	151.1	150.6	311.2	327.9	—5.1
Steel production (tons)	239.8	229.2	496.4	479.0	+3.6
CONSTRUCTION (000's omitted)					
Contracts awarded (Mar.)	51,350	38,353	128,500	136,516	—5.9
Cement prod., bbls. (Jan.)	1,008	853	1,008	853	+18.2
AGRICULTURE (000's omitted)					
▪Flour prod., bbls. (Mar.)	1,872	2,354	5,560	6,908	—19.5
▪Flour exp., bbls. (Mar.)	1,099	1,356	2,860	3,966	—27.9
▪Wheat exp., bush. (Mar.)	10,112	7,983	28,893	30,282	—4.6
Cattle sales (Mar.) (4)	124.0	89.4	383.9	306.5	+25.2
Hog sales (Feb.) (4)	571.6	344.9	1,626.8	1,050.3	+54.9
SEA FISHERIES (000,000 omitted)					
▪Catch, lb. (Mar.)	30.4	38.9	240.0	143.4	+67.4
▪Landed value $ (Mar.)	1,460	1,240	5,667	3,595	+57.4
NEWSPRINT (000's omitted)					
Production (Mar.)	388	372	1,104	1,084	+1.9
Exports, tons (Mar.)	381	374	1,060	1,038	+2.1
MINING AND OILS (000's omitted)					
▪Coal prod. (tons) (Mar.)	1,629	977	4,166	3,814	+9.5
▪Gold prod. (fine oz.) (Jan.)	274	234	274	234	+17.0
▪Petroleum prod. (brl.) (Jan.)	776	598	776	598	+29.8
ELECTRICAL POWER OUTPUT (000,000's omitted) (Jan.)					
Total monthly kw.h.	3,499	3,589	7,253	7,440	—2.9
FOREIGN TRADE (millions of $)					
Imports (Feb.)	182.2	177.1	388.2	350.9	+10.6
▪Exports (Mar.)	228.4	209.0	672.0	597.1	+12.5
FINANCE (millions of $)					
▪Bank debits (Mar.)	6,277	5,737	18,319	17,550	+4.4
Bond sales (Mar.)	880.8	926.1	1,641.8	1,572.4	+4.4
Life insurance sales (Feb.)	101.5	100.2	200.5	201.6	—0.6
OTHER INDUSTRIAL FACTORS (000,000's omitted)					
▪Shoe prod. (Feb.)	2,706	3,300	5,157	6,432	—19.9
▪Cigarette cons. (no.) (Mar.)	1,189	1,214	3,789	3,670	+3.2

(1) Base period 1935-39=100.
(2) All industries.
▪New items for week.
(4) Total at yards and plants.
(5) Nesbitt, Thomson, etc.

Unlisted Stocks

(Compiled from quotations supplied by Intercity Securities Corp., Kamm, Garland & Co. and Kippen & Co.)

May 3, 1948

	Bid	Ask.
Allens Toronto units	40.00	....
Anglo Can. Telephone A.	9.50	10.50
Do. pfd.	46.00	47.50
Beauharnois L. H. & Pr.	12.25	13.25
Brandram Henderson	13.50	15.50
British Mtge. & Trust	185.00	195.00
B. C. Sugar	88.00	90.00
Brockville Trust $50 par	60.00	....
Candn. Invest. Fund	4.80	5.05
Can. Investors Corp.	7.00	7.75
Canadian Motor Lamp	11.50	13.00
Can. Silk Products	24.00	....
Can. West. Nat. Gas pfd.	18.50	20.00
Capital Wire Cloth com.	11.50	....
Do., pfd.	23.00	....
Cardy Corp., A	6.00	8.00
Cawthra Apts. units	6.50	....
Chase A. W. units	44.00	....
Colonial Steamships	93.00	97.00
Commercial Life 10% paid	8.00	....
Commonwealth Inter. Corp.	3.49	3.84
Confed. Life 30% paid	160.00	....
Continental Life 20% pd.	42.50	....
Cooksville A	9.50	10.50
Do., B	3.50	4.50
Corp. Investors	8.47	9.10
Cuban Can. Sugar com.	4.25	5.50
Detroit Internat. Bridge	11.00	12.50
Dover Industries Ltd.	10.00	11.50
Dunlop Tire pfd.	24.50	26.00
Dupuis Freres pfd.	24.75	25.75
Empire Life Ins. 25% pd.	17.00	19.00
Do. 20% paid	14.50	....
Foreign Power Co.	3.00	6.00
Foreign Power Sec. pfd.	3.50	5.00
Galt Brass com.	33.00	....
Goderich Elev. & Trans.	14.50	16.00
Great West Life	350.00	385.00
Guardian Realty pfd.	44.00	....
Guaranty Co. of N. Amer.	385.00	....
Guelph & Ont. Svgs. $50 p	61.00	....
Gurney Foundry com.	25.00	....
Halifax Ins.	13.00	14.50
Hart Battery com.	7.50	8.50
Hartz, J. F., A	9.75	10.75
Imperial Life	340.00	360.00
Interprovincial Brick A pf.	....	75.00
Do. B pfd.	....	30.00
Lambton Loan & Inv. $50 p	83.00	88.00
Laprairie com.	5.00	7.00
Do. pfd.	92.00	97.00
Loblaw Groc. Inc.	17.75	18.75
Manufacturers Life Ins.	340.00	360.00
Maxson Food System	.50	....
Monarch Life 30% pd.	93.00	....
Monarch Mortgage units	4.25	5.25
Mountainview Apts. pfd.	19.00	....
Nat. Drug & Chem. c. new	7.00	7.75
Do. pfd.	10.00	11.00
New Bruns. Telephone	13.00	13.75
Northern Tel. com.	2.00	2.75
Old Comrades Brewery	1.30	....
Ont. & Que. Ry. 6% cap stk	....	145.00
Paramount Kitchener un.	60.00	....
Peller Brewing com.	6.00	7.00
Do. pref.	21.00	23.00
Prov. Bank of Canada	16.00	16.75
Prudential Trust	11.00	....
Quality Steels com.	.50	.75
Sawyer Massey com.	1.50	2.25
Seiberling Rubber com.	5.00	8.00
Sincennes McNaught. Tugs	2.50	....
Sherbrooke Trust	140.00	....
Sovereign Life 25% pd.	36.00	40.00
Standard Fuel pfd.	40.00	45.00
Do. com.	2.00	4.00
Sun Life Assce.	465.00	470.00
Third Can. Gen. Inv.	3.25	3.75
Toronto Gen. Ins.	6.00	....
United Farmers Co-op.	2.50	....
United Steel A pfd.	24.00	25.50
Victoria Trust & Svgs.	133.00	....
Waterloo Mfg. com.	5.00	6.50
Western Assur. com.	62.00	66.00
Western Grain com.	.50	1.00
Do. pfd.	21.00	....
York Trading com.	11.50	....

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

May 4, 1948

Public Utility Issues:	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
▴Alg. Cen. H.B.R.	5	'59	68	71	67
†Assoc. Tel. & T.	5½	'55	108	...	108
Bell Telephone.	3	'77	96	99	95½
B. C. Electric.	3½	'67	92	95	91½
Calgary Power.	3½	'72	95	98	...
East Kootenay	3½	'67	92	95	92
‡Gatineau Pr. D	3½	'70	96½	99½	96
*Do., C	3	'70	95	...	95
Gt. Lakes Pwr.	3½	'67	94½	97½	...
*Int. Hydro-El.	6	'44	65	68	65
L. St. Law. Pr.	3½	'65	97	100	97
Maclaren-Quebec Power	3	'69	93	...	...
†Mtl. Trams. A	5	'55	97½	...	97
Nat. Lt. & Pr.	4½	'61	99½	...	99½
Nor. Que. Pr.	4½	'67	96½	99½	...
Ott. L.H. & P.	4	'67	100	...	100
Power Corp.	3½	'67	93	98	...
Quebec Pwr.	3	'62	96	99	95½
*Saguenay Pr.	3	'71	96	100	...
St. Maurice Pr.	3½	'70	94½	97½	94
Shaw. W. & Pr.	3	'61	97½	100½	...
Shaw. W. & Pr.	3	'71	93½	96½	93½
Do.	3½	'70	99	102	98
Union Gas	4½	'50	99½	102½	99½
Un. Fuel Invest.	4	'59	98½	...	...
United Secs.	3	'52	97½	...	97½
Wpg. El.	3½	'71	100½	103½	100
Industrial and Realty Issues:					
Abitibi Pr. P.	3½	'67	96	99	95½
Acadia-Atlantic Sugar	3½	'65	99	102	99
Aluminum Co.	3½	'74	100	103	100
Bathurst P. & P.	3½	'68	98	...	...
B. C. For. Prdcts.	4	'66	93	96	93
B. C. Pulp & P.	3½	'67	94	97	94
Bowater's Nfld. P. & P.	3½	'63	96½	99½	96
Brompton P. & Paper	3½	'66	93½	97½	...
*Brown Co.	5	'59	102½	106½	102
Burns & Co.	4	'63	96½	99½	96½
Can. Steamship	3½	'57	99	102	99
Can. Brews.	3½	'67	92½	95½	92
Can. Celanese	3	'62	95½	98½	96
Can. Oil	3½	'62	96½	99½	96½
Can. West Lum.	4	'62	98	101	98
Chateo Stl. Prod.	4	'67	91	97	...
C. P. R.	3½	'51	102	105	102
Do.	4	'49	101½	...	101½
C.P.R.	4 Perp.		106	...	98½
Consol. Paper	3½	'67	98	101	97½
Dom. Coal	4½	'52	100	...	100
Dom. T. & Ch.	3½	'57	100½	103½	100½
Dom. Textile	3½	'59	101½	...	101½
Dom. Woollens.	5	'64	99	102	99
Dryden Pap.	4	'61	98½	101½	98½
E. B. Eddy	3½	'66	93	96	93
E. B. Eddy	4	'66	98½	101½	...
English Elec.	4	'67	93	97	...
Federal Grain	4	'64	96	99	96
Gt. Lakes Pap.	3½	'67	98	101	...
Imperial Tobac.	2½	'66	94½	97½	94½
Indust. Accept.	3½	'66	94	97	94
Lake St. J. P.	5½	'61	101	...	101½
Do.	5	'61	101	...	101
Lang, John A.	4½	'62	100	...	...
Laurentian Silk	4½	'67	99	...	...
MacMillan (H. R.) Export	4	'65	99½	102½	99½
Maple L. M.	3½	'63	98	101½	98
Massey-Harris	3	'66	91½	94½	91½
McColl Fron.	3	'71	94	97	93½
McCormicks	4	'52	99½	...	99½
Mercury Mills	4	'63	99	...	...

Municipal Bonds

May 4, 1948

	Coup. %	Matur.	Bid $	Ask. $	Yld. %
Victoria	3¾	'55-66	99	102	3.44
Vancouver	3	'67	93	96	3.27
Calgary	3½	'51-61	99	101	3.12
Edmonton	3½	'49-59	99	101	2.67
Regina	3	'64	92	95	3.39
Moose Jaw	3-3½	'60	97	99	3.27
Winnipeg	2¾	'66	93	96	3.03
Ottawa	3	'54	101	103	2.46
Toronto	2¾	'72	91	94	3.11
Hamilton	3	'53	101½	103½	2.25
Windsor	2½	'75	72½	75½	3.95
Windsor	2¾	'75	76	79	4.00
Windsor	3½	'75	89	92	3.98
Montreal	3	'70	94	97	3.18
Quebec	2¾	'66	90	93	3.26
Halifax	3	'66	95	97	3.22
Saint John.	3½	'65	99	102	3.35

Investment Trusts

	Bid	Asked
Affiliated Funds	4.08	4.46
Can. Int. Trust	4.50	5.25
Can. Invest. Fund	4.60	5.05
Can. Invest. Corp.	7.00	7.75
Commonwealth Int.	3.50	3.85
Corporate Invest.	8.55	9.20
Trans-Canada, A	14.15	....
Do. B	12.95	13.85

Bond Redemptions

Bond Issues:	Rate	Year	Call	Price
▴Dom. Coal 1st mtge. ser. & ser. 1939	4½%	1952	Jun. 1	101
‡Lake St. John Pr. 1st mtg. ser. A	5½%	1961	Jul. 1	102
▴Metropolitan Bldg. 1st mtge. s. f.	5%	1952	May 15	100.75
‡Moirs 1st mtge.	6%	1953	Jul. 1	100

‡All outstanding.
▴$50,000.
▴$442,000.

Bond Tenders

12 noon, May 6, 1948, Dominion of Canada Treasury Bills—Dated May 7, 1948, $75,000,000, payable Aug. 6, 1948.

Corporation Bonds (contd.)

	Int. Rate %	Due	Bid	Ask.	Prev. Week Bid
Monarch Knit.	4	'66	99	...	...
Morgan (Henry) Prop.	3½	'67	94½	98½	...
N.S. Stl. Coal	3½	'63	92½	95½	92
Penman's	3½	'66	97½	...	...
Price Bros.	3½	'66	97	100	96½
Silv. Dairies	4	'60-64	97	100	97
Do.	4	'71	95	99	96
Simpsons Ltd.	3½	'60	100	103	100
Steel Co. of Can.	2½	'67	93	96	93
Toronto Elevat.	3½	'66	97½	100½	97½
United Corp.	4	'58	99½	...	99½
United Steel	4	'60	97½	100½	...
Untd. Grain Gr.	4	'63	100	103	...
†Western Grain.	5	'63	75	79	75
York Kt. Mills.	3½	'71	89	93	89

*Payable in Can. or U.S.
†Payable in Can., U. S. or U. K.
*Payable in U. S.
‡Payable in Canada only.
▴Payable in Canada or U. K.

Dividends Declared

	This payment $	Date payable	Date of record
Agnew-Surp. Shoes	.13	Jun. 1	Apr. 30
Aluminum 4% pf.	.25	Jun. 1	May 5
Aluminium Ltd.	.50	Jun. 5	May 7
Andian Nat.	†.15	May 26	May 12
Anglo-Can. Tel. A	.15	May 26	May 12
Argus Corp.	.15	Jun. 1	Apr. 30
Do. 4½% pfd.	1.12½	Jun. 1	Apr. 30
Aunor Gold	.05	Jun. 1	May 10
Bank of Montreal	.20	Jun. 1	Apr. 30
Bank of Toronto	.30	Jun. 1	May 15
Bathurst Pwr. & P.	.37½	Jun. 1	May 4
J. Bertram & Sons A	.25	May 15	Apr. 30
Do. B	.05	May 15	Apr. 30
Beld.-Cort.	1.50	Jul. 2	May 31
Do. pfd.	1.75	Jul. 2	May 31
Borden Co.	†.60	Jun. 1	May 11
Bowes, A	.12½	May 15	Apr. 30
Do. B	.50	May 15	Apr. 30
Brazilian Tract.	1.00	Jun. 2	Apr. 9
Brewers & Dist.	.60+.30	May 20	Apr. 20
Br. Amer. Oil	.25	Jul. 2	Jun. 3
Do. 3¾% pfd.	.234375	Jul. 2	Jun. 3
Stan. Brock A	.15	Aug. 1	Jul. 10
Bruck Mills	.30	Jun. 15	May 14
Do. B	.10	Aug. 1	Jul. 10
Burns & Co., A	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Do., Cl. B	.25	July 24	July 7
Do.	.25	Oct. 25	Oct. 7
Can. Cement pfd.	.32½	Jun. 21	May 21
Can. Fdry. & F., A	.37½	Jun. 15	May 28
Can. Malting	.50	Jun. 15	May 15
Can. Safeway pfd.	1.12½	Jun. 1	May 15
Can. Vinegars	.15	Jun. 1	May 15
Candn. Brew.	.50	Jul. 2	May 31
Can. Fairbanks-M.	.25	Jun. 1	May 14
Candn. Food Prod.	.18½	Jul. 1	May 28
Do. cl. A	.25	Jul. 1	May 28
Do. 4½% pf.	1.12½	Jul. 1	May 28
Candn. Ind. Ltd.	.17½	Jul. 31	Jun. 30
Do. pfd.	1.75	Jul. 15	Jun. 15
Candn. Ice Mach. A	.20	Jul. 1	Jun. 15
Can. Ind. Alco. A, B	.50	Jun. 1	May 1
Candn. Ins. Shares	1.50	May 15	Apr. 30
Candn. Oil	.20	May 15	Apr. 30
Candn. W. Lumber	.10	Jul. 15	June 17
Do.	.10	Oct. 15	Sept. 17
Capital Est.	†.30	May 15	Apr. 30
Catelli Food	.50	May 31	May 3
Do. pf. 5%	.38	May 31	May 3
Cochrane-D., A	.30	May 15	Apr. 30
Do., pfd.	.30	May 15	Apr. 30
Cockshutt Plow	.25	Jun. 1	May 1
Do.	.25	Dec. 1	Nov. 1
C'mon'lth Intnl.	.04	May 15	Apr. 15
Coniaurum	.02	Jun. 1	May 8
Cons. Text. 5% pf.	.50	Jun. 1	May 14
Consumers Glass	.50	May 31	Apr. 28
Corp. Inv. A & B	.10	May 15	Apr. 15
Cosmos Imp.	.35	May 15	Apr. 30
Corr. Pap. Box	.25	Jun. 1	May 14
Do. 5% pfd.	1.25	Jun. 1	May 14
Crown Cork & Seal	.50	May 15	Apr. 21
Crow's Nest Pass C.	1.50	Jun. 8	May 8
Davis Leather A	.37½	Jun. 1	May 1
Do. B	.17½	Jun. 1	May 1
Dom. & A. Inv.	4.00+3.00	Jun. 15	May 31
Do. 5% pfd.	1.25	Jun. 1	May 15
Dom. Bridge	.30	May 21	Apr. 30
Dom. Dairies	*.12½	Jul. 15	Jun. 30
Do. 5% pfd.	.44	Jul. 15	Jun. 30
Dom. Malting	.25	Aug. 1	Jul. 9
Do. 5% pfd.	.25	Aug. 1	Jul. 9
Dom. Scot. Inv. p.	.75+.50	Jun. 1	May 15
Dom. Steel & Coal B	▪.25 spec.	May 20	Apr. 19
Dom. Stores	.37½	Jun. 15	May 18
Donnacona P. p 4½%	1.12½	May 14	Apr. 15
East. Steel	.15	Jun. 1	May 15
Fed. Fire Ins.	1.00	Aug. 16	Aug. 12
Fed. Grain 6½% pfd.	2.00	May 15	Apr. 30
Ford Motor A, B	.25+.25	May 28	May 6
Gair Co. pfd.	1.00	Jun. 1	May 15
Gen. Steel Wares	.20	May 15	Apr. 16
Grafton & Co., A	.25	Jun. 15	May 26
Gypsum, Lime	.25	Jun. 1	May 2
Do.	.25	Sep. 1	July 31
Do.	.25	Dec. 1	Nov. 30
Hallnor Mines	.07	Jun. 1	May 10
Hamilton Cot.	.22½	Jun. 1	May 10
Intnl. Metal Ind. A	.40	Jul. 2	Jun. 9
Do. B	.40	Jul. 2	Jun. 9
Do. 4½% pfd.	1.12½	Jul. 2	Jun. 9
Intnl. Utilities	†.22½	Jun. 1	May 12
Invest. Found. pf.	.75	Jul. 15	Jun. 15
Italo-Argen. Elec.	3.90p.	May 6 coup. 60-xc	May 5
Lake of the Woods	.40	Jun. 1	May 3
Do. 7% pfd.	1.75	Jun. 1	May 3
Lamaque Gold	.06	Jun. 1	Apr. 15
Laura Secord	.20	Jun. 1	May 15
Loblaw	†.20	Jun. 1	May 7
Do. cl. A & B	.25+.25	Jun. 1	May 5
Leitch Gold	.02	May 15	Apr. 15
Maclaren Pwr.	.50	May 31	May 8
McIntyre-Porc.	.50½	Jun. 1	May 1
Maple Leaf Gdns.	.25	Jul. 15	Jul. 2
Massey-Harris	.25	Jun. 15	May 22
Montreal Cot.	.12½	Jun. 15	May 13
Do. pfd.	.44	Jun. 15	May 13
Maple Leaf Milling	.50	May 15	Apr. 23
Minas Basin P. & P.	.37½	Jul 2	Jun. 15
Nat. Drug. pf.	.15	Jun. 1	May 12
Nat. Hose A	.15	July 1	Jun. 4
Do.	.15	Oct. 1	Sept. 8
Do. B	.15	Jul. 1	Jun. 14
Do.	.15	Jan. 1	Dec. 3
Wm. Neilson 5% pf.	†1.15	Jun. 1	May 10
Noranda	.75	Jun. 15	May 14
Normetal	.05	Jun. 30	Jun. 5
North Star Oil pf.	.08½	Jul. 2	Jun. 11
North West Brew.	.15	Jun. 30	unstated
Do.	.15	Sep. 30	unstated
Ogilvie Flour	.25	Jul. 2	May 25
Do. pfd.	1.75	Jun. 1	Apr. 23
Ont. Beauty Sup.	.10	Jul. 2	Jun. 20
Do. pfd.	.25+.10	Jul. 2	Jun. 20
Ont. Steel Pro.	.25	May 15	Apr. 15
Do. 7% pfd.	1.75	May 15	Apr. 15
Ottawa L. H. & Pr.	.15	Jul. 1	Jun. 1
Do. pfd.	1.25	Jul. 1	Jun. 1
Page-Hersey	.40	Jul. 1	Jun. 15
Pato Cons.	.15	May 31	May 7
Penmans Ltd.	.75	May 15	Apr. 15
Perron Gold	.01	May 10	Apr. 5
Pressed Metals	‡1 sh.	May 20	Apr. 10
Proprietary Mines	.03	May 7	Apr. 7
Que. Power	.25	May 25	Apr. 15
Regent Knit. Mills	.40	Jun. 1	May 14
Do.	.40	Sep. 1	Aug. 13
Do.	.40	Dec. 1	Nov. 12
Robinson Cot. pfd.	1.06½	Jun. 15	Jun. 1
Robinson Little A	.25	Jun. 1	May 15
Rolland Paper	.15	May 15	May 1
Royal Bank	.25	Jun. 1	Apr. 30
Saguenay Pwr. pfd.	1.06	Jul. 1	Jun. 9
Scythes & Co.	.19	Jun. 1	May 15
Do. pfd.	.31½	Jun. 1	May 15
Shaw. W. & Pr.	.30	May 25	Apr. 15
Sher.-Wil'ms 7% pf.	1.75	Jul. 2	Jun. 10
Sicks' Brew.	.25	Jun. 30	May 31
Simpsons pfd.	1.12½	Jun. 15	May 14
Southam Co.	.25	May 15	Apr. 19
So. Can. Pwr.	.30	May 15	Apr. 20
Springer Sturgeon	.03	Jul. 5	Jun. 15
Stand. Chem.	.10	Jun. 1	Apr. 30
Do. pfd.	1.25	Jun. 1	Apr. 30
Sylvanite	.01½	Jul. 2	Apr. 30
Taylor Pear. 5% pf.	.12½	Jun. 1	May 15
Teck-Hughes	.05	Jun. 1	Apr. 15
United Corp. A	.37	May 15	Apr. 15
Do. B	.25	May 31	Apr. 30
United Steel	.12½	Jun. 30	Jun. 10
Waite Amulet	.30	Jun. 10	May 10
Waterous Ltd. A	.20	May 15	Apr. 30
Wellington Ire Ins.	1.75	Aug. 16	Aug. 12
Geo. Weston	.25	Jul. 2	Jun. 10
Do. pfd.	1.12½	Jun. 1	May 14
Wilsil Ltd.	.25	Jul. 2	Jun. 2

†N. Y. funds. *Initial.
‡For each 20 shs. held.
▪Subject to approval FECB.
▴After 5-for-1 stk. split.
‡Initial div. for per. Mar. 8-Jun. 1.

Supplementary Bond Quotations

Furnished by Investment Dealers Association

Month-end Closing Prices April 30, 1948

	Bid	Asked
Acadia Apartments 4%/59	97	102
Adelaide Peter 6½%/47	66	..
Adelaide Sheppard 5-7%/48.	69	..
Alex. Bldg. 6%/47 & Com.	73½	78½
Ancroft Place 4%/56 & Com.	82½	..
Balfour Bldg. 3-6%/43	64	..
Bay Adelaide 6½%/47 1st	66	..
Bay Cumberland 3½%/58 & Com.	71	..
Bay St. Albans 4%/53	82	..
Bloor St. George 7%/46	90½	..
Clarendon Apartments 7%/46	55	58½
Clarendon Prop. 7%/47	55	58½
Deer Park Manor 4%/59 & Com.	83	..
Dom. Square 4%/59	99½	..
Ellis Park 4½%/60 & Com.	90	..
400 Avenue Rd. 4½%/57 & Pf.	90	..
Glen. Inv. 5/59 & Com.	109	114
Lombard Realty 2½%/51 & Com.	52	..
Lord Nelson Hotel 4%/47	74	..
Metropolitan Bldg. 4½%/52	99	..
Montreal Apts. 4%/54 1st	94	98
Montreal Apts. 4%/54 2nd	86	91
Municipal Bankers 4-5%/48.	21	..
Ontario Bldg. 3%/43	56	61
Oshawa Bldg. 4%/53 & Pfd.	79	..
Rams. Pk. Apts. 5%/61 Com.	64	..
Richmond Bldg. 7%/47	49	..
St. Cath. Stanley 3½-4%/57	98½	103½
St. Clair 200 W. 1958 & Pfd.	90	..
Sherbrooke St. Realty 4%/52	96	100
Stanley Realty 6%/62	33	..
Transportation Bldg. 7%/47	98	..
York Adelaide 7%/45	42	51

Public Utility Earnings

Brazilian Traction

March:	1948 $	1947 $	Incr. %
Gross earns.	8,000,918	7,571,095	5.67
Oper. expenses*.	5,860,561	5,547,349	5.64
Net earnings	2,140,357	2,023,746	5.76
3 Mos. from Jan. 1.:			
Net revenue	6,262,073	5,590,965	12.00

*Includes estimated depreciation, amortization, capital and other charges.

All figures are subject to final adjustment when the annual accounts are made up.

Belgium Leads Recovery Race

(Continued from page 11)

every Friday. It decides whether your particular piece of business can go through.

You will find many similar confusing and seemingly contradictory things in this country.

Belgium has long had governments which described themselves as Socialist, yet nothing has been nationalized. Even the central bank is privately owned. The Belgian railways were originally state-owned, but they got into financial difficulty. Private capital came to the rescue, so Belgian railways are now a combination of public and private enterprise. In Brussels you pay your water bill to a private company. It's the same for your light bill.

A Belgian official made this comment:

"The state can't run any business as well as it can be run by private enterprise. The public interest can always be fully protected, if necessary by regulation of the industry. But it isn't public ownership of industries that the public thinks it wants; that just leads to headaches and trouble. What people really want is social security and that's what we've given the Belgians—a lot of it."

Recognize Human Nature

And here is the gist of several other conversations which developed this thought further: "We've never been doctrinaire, revolutionary Socialists like the English. They seem to set down a plan, and then try to make the facts of life and of human nature fit that plan. They seem to enjoy making rules and trying to make people obey them. Their aim seems to be to re-create the world, and end up with perfect men. We want progress and improving conditions for everybody. But at the same time we want to conserve what is good and we want to be sensible about recognizing the facts of human nature and the limits of what government decree can achieve."

Communists represented about 10% of the political strength at the last elections. Estimates given me are that today their strength would be about the same. Nobody fears that they will ever achieve significant influence in the nation's affairs. They are mainly busy in the unions. In some cases, I am told, displaced persons have been making a career for themselves leading Communist unions. Belgium has had a good deal of labor trouble.

The Socialist totalitarians of other countries say that if people will only follow them, all troubles of every kind will disappear. The Belgians take some trouble for granted. They know human nature is going to be just about the same as it has always been.

Meanwhile, their country is swiftly completing its recovery. Its capital, Brussels, is Europe's city of light, ablaze with advertising signs and jammed store windows. Its street cafes are crowded with beer drinkers. (No hard liquor sold except by bottles in special shops.) Its people still don't get all they want to eat at home; they're not yet just as well off as before the war. But prices are coming down. To Belgium, tomorrow looks bright.

BIDGOOD KIRKLAND GOLD MINES has started underground diamond drilling from 2,025-ft. level designed to cut known breaks and to cross-section the large mass of favorable diorite which has been host rock of most of the mine's ore to date. Flat drilling in three holes on 2,025-ft. level has disclosed a wide shearing immediately south of No. 10 or north break.

MACDONALD MINES is making good progress in outlining stoping areas for selective mining of higher grade zinc ore in No. 1 ore body by diamond drilling above 325-ft. level.

Commodities

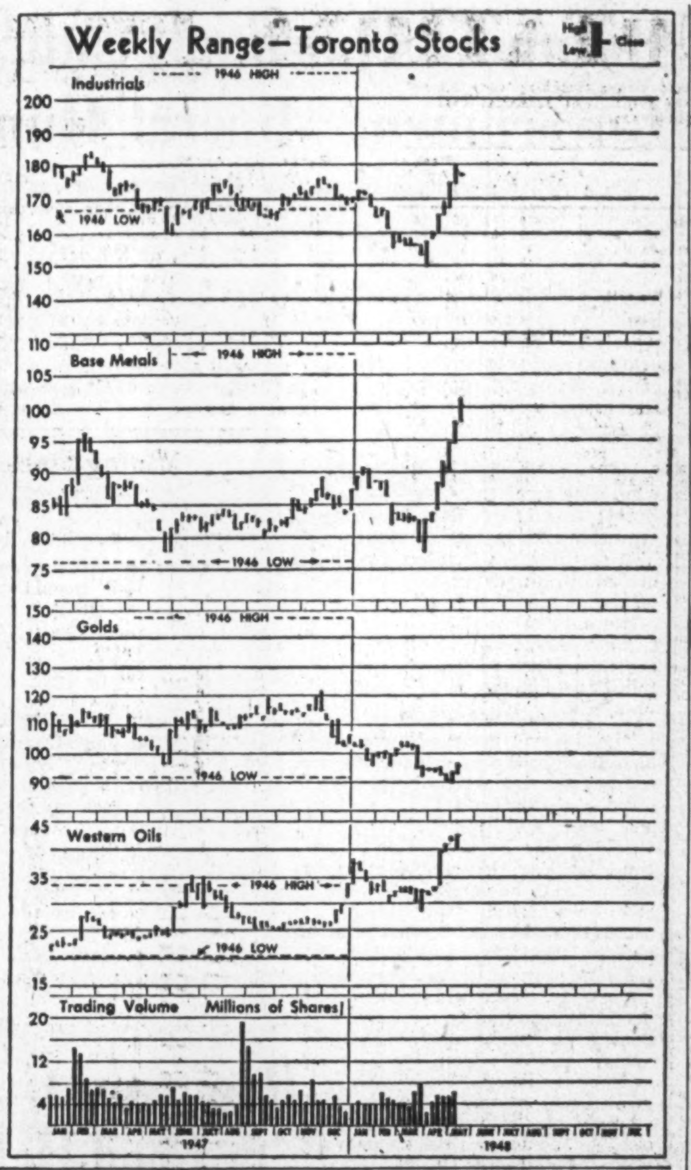
	Latest week	Previous week	Same week last yr.
Cattle	$16.67	$16.02	$14.71
Hogs	28.47	28.35	21.72
Copper, lb.	.21½	.21½	.21½
Sugar, raw, lb.	.0470	.0482	.06185
Coffee, lb.	.26⅜	.26	.24
Hides	.30½	.29	.26
Weekly Indices			
U. S. Labor	163.6	162.9	146.8
Dow Jones	147.96	148.58	130.51
Fishers	169.7	169.2	160.3
Monthly Indices			
Retail (Mar.)	150.8	150.1	127.8
W'sale (Feb.)	147.3	146.9	118.1
U. S. (Jan.)	165.6	163.2	141.5
Gt. Brit. (Jan.)	212.1	203.5	181.6

Note: The base of indices is that 1926 equals 100. †Base 1935-39 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Coffee, No. 4 Santos. Rio Sugar 96 degrees centrifugal c/f New York.

BANK OF CANADA

	Apr. 28 1948 $	Apr. 21 1948 $
Capital paid-up	5,000,000	5,000,000
Rest fund	10,050,367	10,050,367
Notes in circ.	1,180,239,172	1,180,770,775
Deposits: Dom.	64,435,937	69,207,341
Chart. banks	557,797,987	576,838,957
Other	82,507,002	69,560,378
Total deposits	704,740,926	715,606,676
Liabs. payable in sterling, U.S.A. and for'n. gold currencies: Deposits	183,591	183,591
All other liabs.	9,417,415	11,049,035
Total liabs.	1,909,631,471	1,922,660,444
Assets		
Sterling & for'n. exchange	183,591	183,591
Other currencies	147,964	150,896
Total	331,555	334,487
Subsid. coin	208,694	202,992
Investments: Dom. govt. sh.	1,069,862,734	1,073,425,167
Oth. Dom. gov.	785,810,107	799,121,087
Total invest.	1,855,672,841	1,872,546,254
Ind. dev. bank Total share cap. at cost	25,000,000	25,000,000
Premises	2,409,862	2,409,386
All other assets	26,008,519	22,167,125
Total assets	1,909,631,471	1,922,660,444



Market Comment

What stocks and bonds are doing and what prominent observers say.

Though a note of more sober appraisal entered the market picture this week, balance of opinion still persists on the bullish side. At early midweek the market was giving the appearance of having consolidated itself with indications, here and there, that it could head higher.

Action of the Dow-Jones rail average in repeatedly advancing to new high ground with only minor setbacks is suggesting to many market students that the trend remains upward and that the 1947 industrial resistance point of 186.85 will be tested in due course. So far U. S. markets are not too concerned with current labor disputes in the railway, automobile and steel industries. Time and again the market has demonstrated that the labor factor rarely exerts a major influence on the price trend.

In their May investment letter, Wood, Gundy & Co. lists the following favorable factors in the Canadian economy — increase in export trade in merchandise in March of 9% above March, 1947, total industrial employment at beginning of March 4.8% above same period a year ago, estimated tonnage of railway freight in the first quarter of 1948 up 8%, cheques cashed against individual accounts in March totalled $6,277 millions, up from $5,737 millions in March, 1947.

New Highs & Lows

During the week ended May 1, 81 new highs were recorded among the "general" stock exchanges, and 17 new lows. In the mining group there were 19 new highs and 19 new lows; five new highs and two new lows among the western oils.

GENERAL

New Highs—1948

Abitibi P. & P. pfd.	Gt. West Coal
Do. $2.50 pfd.	Gt. West Felt pf.
Ashdown Hdwre.	Hamilton Bridge
Auto Fabric B	Hinde & Dauch
Belgium Glove	Intnl. Paints
Blue Ribbon	A. Lambert
B. A. Oil	J. A. Lang
Do. pfd.	Langley's pfd.
B. C. Packers B	Legare pfd.
B. C. Pulp & Pap.	Lewis Bros.
Bruck Mills	Massey-Harris pfd.
Building Products	McColl-Frontenac
Can. Cement	Minn. & Ont. Pap.
Can. Gen. Inv.	Robt. Mitchell
Can. Lt. & Pwr.	Montreal Locomo.
Candn. Pac.	Montreal Refrig.
Can. P. & P. Inv. pf.	Montreal Trams.
Candn. Vickers	Nat. Steel Car
Do. pfd.	N. S. Lt. & Pwr.
Candn. W. Lumber	Pacific Coyle
Candn. Westingh'se	Page-Hersey
Candn. Wire Box A	Penmans
Catelli Food pfd.	Power Corp.
Cockshutt Plow	Robinson Cot.
Cons. Textiles	Robinson Little
Cosmos Imperial	Russell Industries
Crown Cork & Seal	Sarnia Bridge
David & Frere B	Sherwin-Williams
De Havilland A	Silknit
Dom. Bridge	Simon & Sons
Dom. Tar pfd.	Simpsons B
Dom. Tex.	Southam
Easy Washing	So. Can. Pwr.
Equitable Life	Stanley Brock A
Federal Grain	Thrift Stores
Fleury Bissell pfd.	United Corp. B
Ford Motor A	Walker-Good.
Goodyear Tire	Windsor Hotel
Do. pfd.	Winnipeg Elec.
Grafton A	Do. pfd.

New Lows—1948

Anglo-Can. Tel. pf.	Gatineau Pr. 5½% pf.
Belding-Cort. pfd	Lake of Woods Mill.
Brewers & Distillers	Ont. Steel
B. C. Power B	P. L. Robertson
B. C. Turf	Stand. Clay
Candn. Fire	Stowell A pfd.
Claude Neon pfd.	Toronto Mtge.
Cons. Bakeries	York Knit. B new
For. Pwr. Sec. pfd.	

MINING

New Highs—1948

Base Metals	N. Calumet
Beaucourt	Normetal
Chromium	Orenada
Gold. Man.	Pend Oreille
Gulf Lead	Reeves McD.
Harricana	Sherritt G.
High Bell	Utica
Hudson Bay	Waite Am.
L. Dufault Mining Corp.	Wellington

New Lows—1948

Bonville	Pac. East
Harker	Pac. Nickel
Indian Lake	Picc'y Porc.
Kirk. G. G.	Queenston
Kirk. H. Bay	Regcourt
Laguerre	Reno Gold
L. Wasa	Salmon G.
Lapaska	Thompson
MacFie	Tombill
McWatters	

OILS

New Highs—1948

British. Dom.	S. W. Pete.
Decalta	Superior
Leduc West	

New Lows—1948

Foothills	N. Pacalta

J. H. Lamprey, Yorkshire Securities (Vancouver): Despite the continued unsettlement in international affairs, it is our opinion that selected buying of well-established Canadian industrial stocks is warranted at this time. The more attractive groups would appear to be the base metals, oils, heavy industries and the papers. Stock markets have failed to reflect the very substantial earnings being experienced by most Canadian corporations, apparently on the assumption that these are abnormal and cannot be expected to continue. While this reasoning may be true over the long term, recent developments would suggest that earnings for the current year will be well maintained and it might also be emphasized that there is no great difficulty in finding stocks of companies which, even after allowing for a reduction in business activity, would still at current levels be selling on an extremely conservative basis when using ratios of earnings to price as were common in the past.

However, we do feel that a factor which must be given equal weight with earnings is the dividend policy adopted by the company whose shares are under consideration. While current conditions justify many companies ploughing back a large portion of its earnings, nevertheless, there are companies which appear to be following an unduly conservative policy in this regard which has resulted in disappointingly small dividend payments to shareholders. Dividend rates will, in our opinion, dominate stock prices to a greater extent in the immediate future than has been the case during the past several years.

• • •

J. Bradley Streit, J. Bradley Streit & Co. (Toronto): A very encouraging chance exists that a full-fledged bull market will start shortly, ending a bear market which Dow theorists say has been in existence since May, 1946. Most of the Dow theorists believe that the bear market will end some time this year even if the Dow-Jones industrial average fails to penetrate its 186.85 top at this time.

We feel that the present gold mining market is "over-sold" and that a material betterment of gold stock prices may be experienced when various gold mines actually start receiving payments under the Emergency Gold Mining Assistance Act.

It has been a disappointment to the gold mining industry that a higher price for gold has been delayed so long. But it is just possible that the International Monetary Fund might decide that the only way to abolish the black market in gold would be to increase its price by multi-lateral agreement. The price of practically everything but gold has been increased and the black market for gold will almost certainly not disappear until the price is increased.

• • •

Barron's: The Trader (New York): Although expansion and activity in the heavy industrials are vital in sustaining prosperity, it is of interest that consumer buying, which in late winter showed some signs of sagging, is now in full revival. Automobile backlogs are increasing and the barometric mail-order sales are currently undergoing a fresh spurt. Rate of incoming new orders the country over, which between mid-December and late March declined roughly 12%, has been improving for the past five weeks.

— FAR TOO MUCH —
It is rarely possible to get from one ideal security—income, safety and profits. This may be possible now and then but is far too much to expect as a general rule.
Income, safety and profits can best be obtained by selection and diversification. We have put together a list which should place some good suggestions before you. Copy gladly sent on request.
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MANAGEMENT CONSULTANTS

FINANCIAL STATEMENT and DIRECTORS' REPORT

WESTERN GROCERS LIMITED

At the Annual General Meeting of the Shareholders of Western Grocers Limited, held at the Head Office of the Company, the Directors' Report, Balance Sheet, Statements of Profit and Surplus and the Auditors' Report for the year ended December 31st, 1947, were presented and adopted.

The Directors, W. P. Riley, I. Pitblado, K.C., F. W. St. Lawrence, A. McCallum, E. S. Cooper, W. F. Stewart and H. J. Coon were re-elected, and at a meeting of the Board following the Shareholders' Meeting, the officers of the Company were re-elected.

The Directors' Report follows:

REPORT TO SHAREHOLDERS

Your Directors present herewith a Balance Sheet showing the financial position of the Company at the close of the year, a Statement of Earned Surplus and Profit, also the Auditors' Report.

Sales for the year reached a new high point, but much of the increase arose out of higher commodity prices. While the volume of business was greater, the percentage of gross profit realized was less than that of the previous period.

At the year-end, the stock in trade, also the sum of the customers' obligations, were each low in relation to sales and reflect a liquid condition. At all times, your Company stresses the importance of quick turnover of merchandise and prompt collection of accounts.

An announcement of intention having been made at the last Annual Meeting of Shareholders, there was established at mid-year an employees' pension plan. The future service premiums thereunder are paid monthly and contributed to by both the employees and the Company.

The plan contains a provision for past service pensions from a reasonable age. The past service premium has been amortized over a number of years, and the entire cost thereof will be paid by the Company. The first annual instalment has been paid, but no liability has been set up for the balance.

Internationally, the world position as a whole does not exhibit a surplus of food-stuffs, and the emphasis is on supply. Yet to move food from the "have" to the "have not" countries involves problems of distribution, of exchange mediums and many other factors.

Nationally the accent is on price, and when consumers regard the cost of any commodity as too high, a natural reaction occurs. It follows that good merchandising dictates the exercise of great care to avoid risk where overnight, by decree, some values may be altered.

Where usual conditions of supply and demand are not freely operative and expediency might be regarded as paramount, the market worth of any commodity can be varied materially, by quick changes in duty, excise or sales taxes, or the re-imposition of ceilings.

For all of these reasons the Board of Directors viewing the situation realistically, decided it was prudent to set up a substantial reserve for possible future deflation in merchandise inventory values. Similar action was taken by your Company's subsidiaries.

Our organization by December 31st, had by the purchase of shares, acquired working control of Blue Ribbon Corporation Limited. The Blue Ribbon line of teas, coffees, extracts and spices is well known, and the connection should, in time, become mutually beneficial.

Work has been completed on the Company's new Winnipeg premises, and the local branch and the Head Office are now established at 289 King Street, Winnipeg.

Balance Sheet as at 31st December, 1947

ASSETS

Current Assets			$4,545,416.86
Cash on Hand and in Banks (less Outstanding Cheques)		$ 101,634.71	
Customers' Accounts Receivable, after providing for possible losses		1,042,436.79	
Advances on Merchandise and Sundry Debtors		62,505.72	
Customs Deposits		6,550.00	
Merchandise—per Inventories—as determined and certified to by the Management, on basis of cost or market, whichever was lower		3,332,289.64	
		$4,545,416.86	
Prepaid Expenses			18,415.20
Refundable Excess Profits Taxes (estimated)			164,316.89
Investments in and Advances to Subsidiary Companies			1,456,784.59
Investments—at cost		$1,450,087.35	
Advances		6,697.24	
		$1,456,784.59	
Other Investments (at cost)			1,600.00
Fixed Assets			1,038,168.45
Warehouse Properties—Land and Buildings—see note below		$ 967,589.67	
Plant and Equipment—at cost less depreciation		70,578.78	
		$1,038,168.45	

Note re Warehouse Properties

The original properties acquired at formation are valued on the basis of the appraisal made by the Canadian Appraisal Company, as of 14th December, 1912, with subsequent additions at cost—less depreciation and amounts written off.

			$7,224,701.99

LIABILITIES

Current Liabilities to Public			$1,393,630.66
Accounts and Bills Payable		$1,041,726.24	
Income and Excess Profits Taxes (estimated)		291,805.21	
Dividends payable 15th January, 1948		54,786.25	
On Preferred Shares	$ 20,900.25		
On Class A Shares	33,886.00		
	$ 54,786.25		
Unclaimed Dividends		5,312.96	
		$1,393,630.66	
Advances from and Amounts Payable to Subsidiary Companies			444,042.37
Reserves			759,539.61
Reserve for Contingencies		$ 100,000.00	
Merchandise Inventory Reserve (claimed under Excess Profits Tax Act)		150,000.00	
Special Reserve for Inventory Deflation		509,539.61	
		$ 759,539.61	
Capital Stock			2,217,162.74
Authorized:			
Preferred Shares ($20.00 per Share)—175,000 Shares		$3,500,000.00	
Class A Shares (no par value)—150,000 Shares		[illegible]	
Common Shares (no par value)—150,000 Shares		[illegible]	
Issued and Outstanding:			
Preferred Shares ($1.40 Series)—59,715 Shares		$1,194,300.00	
Class A Shares (no par value)—67,772 Shares; Common Shares (no par value)—86,656 Shares		1,022,862.74	
		$2,217,162.74	
Earned Surplus—per Statement attached			2,246,009.72
Deferred Surplus—Re Refundable Excess Profits Taxes			164,316.89
			$7,224,701.99

Approved on behalf of the Board.
W. P. RILEY, E. S. COOPER } Directors.

Contingent Liabilities Reported: Guarantee of a Subsidiary's bank indebtedness—maximum $200,000.00.

STATEMENT OF PROFIT FOR YEAR ENDED 31st DECEMBER, 1947, AND OF EARNED SURPLUS ACCOUNT

Profit for the year before taking into account the undermentioned items		$1,050,298.63
Additions		207,881.50
Dividends from Subsidiary Companies	$ 207,071.50	
Dividends from Investments	810.00	
	$ 207,881.50	
		$1,258,180.13
Deductions		547,954.98
Depreciation	$ 39,676.95	
Directors' Fees	1,000.00	
Executive Officers' Remuneration	61,200.00	
Legal Fees	3,078.03	
Provision for Income and Excess Profits Taxes	443,000.00	
	$ 547,954.98	
Net Profit before provision for Inventory Deflation		710,225.15
Deduct—Appropriation to Special Reserve for Inventory Deflation		509,539.61
Balance of Profit transferred to Earned Surplus		$ 200,685.54
Earned Surplus at 31st December, 1946	$2,252,322.68	
Add—Adjustments to Profits of prior periods	3,675.00	2,255,997.68
		$2,456,683.22
Deduct—Dividends:		
Preferred Shares:		
Four at 35c per share, being at the rate of 7% per annum to 31st December, 1947	$ 83,601.00	
Class A Shares:		
One at 37½c per share, being at the rate of $1.50 per annum to 31st March, 1947	25,414.50	
Three at 50c per share, being at the rate of $2.00 per annum to 31st December, 1947	101,658.00	210,673.50
Earned Surplus at 31st December, 1947		$2,246,009.72

Auditors' Report to the Shareholders:

We have made an examination of the books and accounts of Western Grocers Limited, for the year ended 31st December, 1947, and have prepared the accompanying Balance Sheet and Statement of Profits. We have also examined the books and accounts, or the audited financial statements, of all subsidiary companies.

In connection therewith we report as follows:

(a) That the accompanying Balance Sheet does not set forth the assets and liabilities of the subsidiary companies and that the Statement of Profits does not include the operating profits of subsidiary companies, except as to dividends actually received.

(b) That one of the subsidiaries showed a small loss for the year which is being carried forward in its accounts and charged against its Surplus Account and is not reflected on the books of Western Grocers Limited.

(c) That, in the case of two subsidiaries the dividends received therefrom by Western Grocers Limited, were in excess of the profits of such subsidiaries by $45,013.90, said profits being arrived at after deducting provisions for inventory deflation for an amount greater than the excess of $45,013.90.

(d) That, in the aggregate, the dividends from subsidiaries taken credit for in the Statement of Profits are less than the combined profits of such subsidiaries.

(e) That on 1st July, 1947, the Company established an Employees' Pension Plan through an insurance company, covering both past and future service. The plan is in the hands of the Minister of National Revenue for approval. Future service premiums are paid monthly. Past service premiums are all borne by the Company and are payable in annual instalments over a term of years. The first of such annual instalments has been paid. No provision is set up on the books for the remainder, which amounts to a total of $409,988.32.

With the foregoing, we are of the opinion that the Balance Sheet submitted herewith exhibits a true and correct view of the state of the Company's affairs according to the best of our information and the explanations given us, and as shown by the books. We have obtained all information and explanations required by us.

(Signed) SHARP, WOODLEY & COMPANY,
Chartered Accountants, Auditors.

Winnipeg, 31st January, 1948.

HEAD OFFICE — WINNIPEG, MANITOBA

BRANCHES: Calgary, Edmonton and Lethbridge in Alberta; Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon, Weyburn and Yorkton in Saskatchewan; Brandon, Dauphin, Flin Flon, The Pas and Winnipeg in Manitoba; Fort Frances, Kenora and Port Arthur in Ontario.

KIRKLAND GOLDEN GATE MINES underground drilling program is well under way with first three holes completed. Initial hole intersected 5.5 ft. of $7.75 grade at a point 150 ft. west and 40 ft. south of the west end of 617 drift. The second hole, a down hole from 525 ft. level, cut No. 19 vein for a core length of 2 ft. running $63.40. The third hole was put out from 650-ft. level crosscut and intersected 5 ft. of mineralized porphyry assaying $4.50.

Uranium, Thorium Feature Government Mineral Hunt

While definite encouragement has been given the mining industry to seek out and develop uranium deposits, the Dominion Government is by no means withdrawing and leaving this field entirely to private industry. The search for radio-active minerals uranium and thorium is a feature of the 1948 field program of the Dominion Department of Mines & Resources.

"Increased emphasis is being placed on Northwestern Canada where an accelerated program of prospecting is expected," a government release states, giving a hint as to where Dominion authorities think deposits may be located.

Not only gold and pitcheblende, but a wide variety of other minerals are stated to indicate important developments in this area.

Iron, Oil, On List

The Government's program also stresses the search for other products which would help solve Canada's peacetime U. S. dollar shortage; and minerals which would really be needed in wartime. Investigation of iron ore resources is to be carried on. There is to be a further examination of areas regarded as favorable for accumulation of oil, gas and coal.

Fifty-seven main field parties have been assigned to carry out investigations and to meet urgent geological problems in many parts of Canada from the Yukon to Nova Scotia.

Various sections of the proposed field program will be carried out by the Geological, Topographical, Legal and Geodetic Surveys of the Department, according to Acting Minister J. A. MacKinnon.

37 Parties on Topography

Original surveys, from which ground and air maps are prepared, are to be made by 37 parties of the Topographical Survey. This work will also provide base maps for development of Canada's mineral resources and for the guidance and assistance of engineering projects in all parts of the country.

The Dominion Observatory has arranged expeditions to the Arctic for the purpose of conducting further studies on terrestial magnetism which will provide information for the construction of accurate navigation charts. The Observatory is also responsible for conducting seismic and gravity surveys.

A seismic survey will be continued in the pre-Cambrian shield area between Kirkland Lake and Ottawa. Rock bursts in the mining areas set up seismic waves which have been recorded as far away as Boston and Massachusetts. By recording these waves at known distances from the bursts and studying the travel times, which vary according to the different layers in the earth, scientists can determine to a depth of from 40 to 50 miles, the structure of the earth's crust.

OIL PRODUCTION

Imperial to Drill Northerly Wildcat

From Our Own Correspondent

CALGARY — Imperial Oil continuing its expanded program of development and exploration work, announces locations for its latest wildcat to be drilled about 210 miles north of the current driller Muskeg No. 1. The new location Imperial Spirit River No. 1 is located about four miles west and south of Spirit River. Drilling will start when weather permits.

* * *

Leduc Calmar Oil Co. headed by John McLeod, Calgary oil operator, holds petroleum and natural gas rights on 2,400 acres in the Leduc-Woodbend area and the Bantry region south of the Princess field.

Leases and reservations held in the Leduc-Woodbend area comprise the following lands: SW¼ Section 25-49-26w4, about five miles south and 1¼ miles east of the recent Imperial Leduc No. 9 dual-zone success; SW¼ and NE ¼ Section 19-49-26w4, about 3½ miles south and a mile east of the current Texaco-McColl Calmar No. 1 driller.

Leduc Calmar's first wildcat well is planned to be drilled in the SW¼ Section 25-49-26w4, about 5¾ miles southeast of the current proven area at Leduc.

Clifton C. Cross and Co. (Alta.) Limited has underwritten 500,000 shares of the Leduc Calmar Oil Co.

Test Saskatchewan Area

The Saskatchewan Federated Co-operatives and the Consumers Co-operatives Refineries have each taken up a Crown Reservation in the Cypress Hills region in Saskatchewan. The two reservations totalling 458,080 acres are straight south of Maple Creek, Saskatchewan, close to the Alberta-Saskatchewan border.

Geological work has been going on in this area, and is being continued. Geophysical work will commence when weather conditions permit, which is expected to be within the next two months.

* * *

Stanolind Oil & Gas Co., a big American newcomer to the Alberta exploration scene, has acquired its second acreage block in the province, Charles Schock, Division Landman in charge of the Canadian Division, announces. The new block is a 99,040-acre exploration reservation of Crown rights in the Meadowbrook area, about 60 miles north of Edmonton.

The rights covered extend to within a dozen miles of Athabaska. Holdings of Decalta Oils, East Crest Oils, and the Cairns brothers of Edmonton adjoin on the east and south.

* * *

Superior Oil and General Petroleums announced locations last week for a six-well program at Blackfoot, offsetting the team's group of 10 wells. Drilling will start soon as road conditions permit. The wells will be drilled in rotation by a General Pete. owned light rotary. Cost will be divided and production shared on the basis of two thirds by Superior and one third by General.

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Rupununi Gets 4th Good Hole

Best Section Runs 0.70 oz. Over 31.4 Feet of Core

Three main ore zones and suggestions of one or two additional ore sections have been demonstrated by holes Nos. 43, 44, 45 and 47 and additional drilling is now being done along strike, F. J. Roberts, president of Rupununi Gold Mining Co. (Canada), reports.

While hole No. 46, 100 ft. west and 86 ft. north of No. 43, gave almost negative results suggesting a fault, such a condition was not unexpected as the best surface results were obtained considerably north and in the area west of No. 46, No. 47 drill hole, 100 ft. east of No. 43, however, returned five ore intersections and appears to be the best hole to date. Starting at 161 ft., 6 ft. of core ran 0.32 oz. uncut and cut. At 193 ft., 11 ft. of ore ran 0.15 oz. At 331.8 ft., 12 ft. of core averaged 0.38 oz. uncut and cut value. Alternatively, 29 ft. of core starting at 331.8 ft. ran 0.236 oz. uncut and cut.

At 433 ft., a 10.7-ft. section of core ran 0.317 oz. uncut and cut. From 552 to 583.9 ft., there was 31.4 ft. of core which ran 0.70 oz. uncut and 0.53 oz. cut. Contained within this was a 12-ft. section which averaged 1.14 oz. uncut and 0.87 oz. cut.

The lower zones in holes Nos. 44 and 47 suggest the additional ore sections. Neither holes Nos. 43 nor 45 were drilled deep enough to cut these but they were left in such a condition that they can be deepened at a later date.

DISCOVERY YELLOWKNIFE MINES says that work in blocking out ore in both north and west zones is encountering exceptionally high grade ore and increased tonnages. A raise, going up in the north zone, has been in ore reported to be running in the ounces for the last 75 ft., with several recent assays ranging from $175 to $805 per ton across full raise width of 6 ft. Dismantling of the 200-ton mill, located in Montana, is starting immediately.

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Smelters-Ventures Get Lead-Zinc Area

Consolidated Mining & Smelting Co. of Canada and Ventures Ltd. have acquired exclusive concessions on some 500 sq. miles on south shore of Great Slave Lake, N.W.T.

The lead-zinc project will be financed on a 60-40 basis by the companies and terms call for expenditures of $50,000 in first year and $75,000 in each of two succeeding years. One half of the area must be dropped at end of second year.

Presence of lead-zinc mineralization has been known for years and some preliminary work was done by Boston interests, Atlas Exploration Co. and Northern Lead-Zinc Co., the latter now owned by new holders of the concession. Development will involve program of widely spaced churn drill holes, designed to locate new ore deposition similar to one now showing 500,000 tons of 7% lead and 9% zinc.

SENATOR-ROUYN reports following elected at annual meeting: R. C. Gamble, president; Allan T. Lewis, vice-president; J. Elder, D. M. Kinsella and A. W. Beament, directors. Mr. Gamble succeeded Redmond Quain as president.

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Giant Finds Rich Ore in Stope Work As Production Basis Close at Hand

Assays approaching the sensational have been secured by Giant Yellowknife Gold Mines in preparation of stopes recently. There is plenty of lower grade ore around as well, but officials are naturally pleased that real "sweeteners" can be expected to tone up mill grade.

The mill is expected to be placed in operation about the middle of May with a regular production at about 180 tons daily reached June 1, dependent on the power supply. When Snare River power becomes available, tonnage will be lifted to 250 tons, then gradually worked ahead to the 500-ton capacity.

Arrangements have been completed for bank credits of $1,300,000.

An official just back from the property reports that No. 212 stope in No. 2 ore body has shown some "rather exceptional ore" above the 300-ft. level with one face about 20 ft. wide averaging 8 oz. gold per ton. The general tenor of this stope to date will probably approximate 1.5 oz gold, it was thought.

While the official was at the mine, a high grade pocket was run into in the ASD zone, No. 208 stope. Values up to 35 oz. gold are reported to have been secured in this section. Samples brought back to Toronto show lots of gold without using a glass.

Construction of all the main buildings is essentially completed with only the crusher house to be completely finished with siding. The three crushers have been turned over and appear satisfactory but only two of these will be used initially. Some of the final preproduction work was being done on the filter and flotation units. The ore bin is already full. A total of 1,200 hp is supplied by three Diesels and 150 h.p. locally but Snare River power is expected to be available by Oct. 31.

Initial extraction is expected to be about 50-60% of gold content in an amalgamation product and in a 15-oz. concentrate shipped to the Tacoma smelter. Balance of the gold content will be contained in a flotation concentrate which is to be stockpiled until a roaster and cyanide unit are completed. Excavations for the roaster unit are now proceeding.

A great deal of stope preparation has already been completed and this work is still proceeding. The No. 212, 213, and 214 stopes on No. 2 ore body cover a lateral extent of 300 ft. of which 170 ft is attributable to No. 212 stope which has given the high grade section mentioned. No. 212 stope apparently covers the ore body at its narrower northerly end. There appears to be a greater concentration of values where the ore zone is narrower.

Some time ago it was reported that the Giant management initially planned to treat a grade of ore averaging 0.61 oz. gold per ton.

There are believed to be plenty more ore chances in the section of No. 2 ore shaft; The Financial Post finds no disposition to link in the No. 1 shaft ore bodies in the production program for the present. It is altogether likely that further ore could be opened at No. 2 shaft by continuing further north. But any new development from surface or underground, including diamond drilling, will likely be concentrated to the south of No. 2 shaft in an unexplored area. Any new ore bodies picked up would migrate with depth into the immediate No. 2 shaft area on their northerly plunge. And work to the south will have the advantage of getting into the area where it is planned to complete No. 3 shaft later on.

Recent developments appear to have been quite favorable. While milling hasn't started quite as early as had been hoped, this appears to have been more than offset by the extremely high grade character of recent ore showings which can go far to make the operation really profitable.

NORSEMAN MINES remained inactive in 1947. Current assets were $102,854 and liabilities $280 at year end.

Bi-Ore Shipment Yields $13,000

According to Keith Dean, president of Bi-Ore Mines, three car loads of copper concentrates recently shipped from the company's Northern Ontario Mississagi Forest Reserve property to smelter will net the company in excess of $13,000.

Financial arrangements are reported completed with respect to purchase and installation of an additional milling unit to step up production. This unit is being shipped from California. After installation is completed, the company expects to make regular shipments of three car loads of copper concentrates a week which will net approximately $56,000 a month, it is stated. Installation of the new unit is expected by June 1. Copper concentrates, Mr. Dean, states, are running over 30% copper.

INTERNATIONAL MINING CORP. net asset value of 489,973 shares of common stock outstanding was $4,740,760, or $9.68 per share at Mar. 31 ($4,115,295, approx. $8.40 at Mar. 31, 1947).

Gulf Lead Gets Lead and Zinc At New Drilling Location

At the annual meeting of shareholders of Gulf Lead Mines, Consulting Engineer Lloyd B. Almond reported a 5-ft. section of heavy mineralization consisting of galena and sphalerite was secured in a first hole in an extensive program of drilling. The intersection was between footage 490 and 495 in the hole.

The meeting learned that this hole was sited about 1,000 ft. from the east shore of Hudson's Bay and about 3½ miles west of the showing of massive lead and zinc sulphides, previously located inland. The significance of this first intersection is stated to be that the hole penetrated through the overlying basalt, followed by cherty limestone and limestone. It was in the latter formation that the lead and zinc values were located.

The zone was lying almost horizontal and drill intersection cut true width suggesting that there may be a quite extensive zone of mineralization extending from the bench disclosures to the east. In reconnaissance work last summer, lead and zinc sulphides were followed for miles along the eastern benches' exposures, with high grade lead ore in evidence for long distances.

Other Drills Activated

A second drill is located at Ruby Lake, over three miles east of the shore of Hudson's Bay, almost on line of strike with the first hole completed on the shore. These two drills will cross-section the intervening ground.

Two other drills are on the ground and crews are preparing to start them up. Thirty men are engaged, under the direction of J. B. Thoday, resident engineer. The property concession covers 35 miles of coast line and has an average width of seven miles. Lead showings, with zinc and copper sulphides, are in evidence at numerous points and it is planned to carry out at least 30,000 ft. of drilling this year.

A shareholder asked for a resolution to have directors request the Ontario Securities Commission to release some of the escrowed stock and the motion was passed. This started a street rumor that pooled stock would be released shortly, a report which was denied by officials.

BOCAMSA MINES still retains the 15 claims in Lebel twp., Ont., but no work was carried out on the property in 1947. Cash on hand was $8,103 and current liabilities $700 as at Dec. 31, 1947.

Porc. Reef In Ore at Depth

Outlying Hole Returns 1.62 oz. Over 9 ft. of Vein Material

A drill hole put out due south from the 200-ft. level station at Porcupine Reef Gold Mines recently intersected 9 ft. of vein material averaging 1.62 oz. gold in a previously unexplored section, shareholders learned at the annual meeting.

This section will be explored by crosscutting and drifting at this horizon. The drill hole also disclosed a stringer zone which averaged 0.20 oz. over a 27-ft. width in which the mineralization and assays were erratic. Its importance cannot be assessed till it is opened up by drifting and crosscutting.

Last Sample 0.76 oz.

At the 970-ft. bottom level, the east drift has now entered an ore shoot. Considerable visible gold has been noted in the last 75 ft. Car samples for the last three rounds have been 0.22, 0.25 and 0.76 oz. gold, it was reported.

Production for April was estimated at $28,000 to $30,000 from 3,700 tons obtained from stope preparation and development. It is planned to gradually build up production to approximately 200 tons a day.

Crosscutting and drifting are now in progress on the 350-ft. level towards the upward extension of the ore zone. The drift is headed towards a diamond drill intersection which gave a true width of 6 ft. averaging 2.51 oz. gold per ton.

At the 500-ft. level, 521 ft. of ore opened shows a width of 6.9 ft., averages 0.52 oz. gold on face chip samples, 0.25 oz. gold on car samples.

On the 650-ft. level, a length of 307 ft., 7.5 ft. wide, averages 0.25 oz. gold on face samples and 0.17 oz. from car sampling. At the 800-ft. level, two ore lengths are reported. A length of 318 ft., 6.6 ft. wide, averages 0.35 oz. gold on face samples while car samples averaged 0.20 oz. gold. A length of 202 ft., 6.8 ft. wide, runs 0.31 oz. gold on face sampling and car samples averaged 0.21 oz. gold.

Driving of an ore pass system and preparation of stopes is now under way.

Stake More Claims In Saskatchewan

From Our Own Correspondent

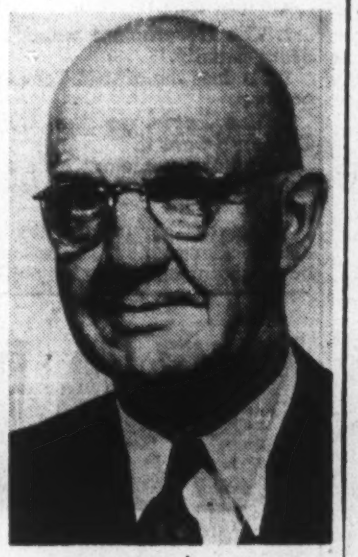
Regina.—Quartz mining claims recorded in Saskatchewan in the first three months of 1948 have increased 100% over the same period a year ago, according to W. J. Bichan, director of mineral resources.

"The increase in activity," he said, "has been prompted by renewed interest in base metal showings in the Flin Flon area and the release of reports concerning an uranium occurrence near Judique Lake, 30 miles northwest of Flin Flon."

Geological survey parties under W. D. Neeland, senior geologist, will be engaged in detailed correlation and investigation in the general area where staking has become active. An X-ray drill will be used in sampling previously known, heavily oxidized sulphide zones where, in the opinion of the government's geologist, the work is justified.

Staking activity during 1948 has been highest of any year since 1937. In 1938 and 1939 activity was close to that shown during the current year, but in 1940-43 inclusive there was practically no staking. In 1944-45 claims staked were about one quarter the total in 1948. In 1946 and 1947 the number was approximately one half.

Executive Changes Announced By Langley's Limited



GEORGE S. LANGLEY

George S. Langley has been re-elected to the presidency of Langley's Limited after eight years absence from the company. D. R. Morton, President of the Parisian Laundry Company of Toronto Limited is the new vice-president. G. H. Hand, Secretary of the Maple Leaf Milling Company Limited continues on the Board and is now Secretary-Treasurer. J. R. Mooney, head of J. R. Mooney and Company, and E. R. Jarmain, President of Jarmain's Cleaners of London, are new Directors. *

FREDERICK MINING & DEVELOPMENT employed three prospecting parties in Ontario in 1947 and three groups were staked, bringing holdings to 10 groups. Company also owns substantial share interests in two gold prospects in the Yellowknife area, N.W.T. Current assets, comprising cash and investments, totaled $130,706 and liabilities $500 at Dec. 31, 1947.

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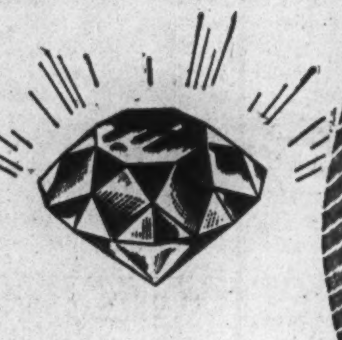

When it comes to diamonds, even royalty can be fooled. The once-famous "Braganza", a supposed diamond in the Portuguese crown jewel collection was valued at a billion dollars, until later reappraisal proved it worthless. Judging the true quality of a diamond requires a knowing eye.

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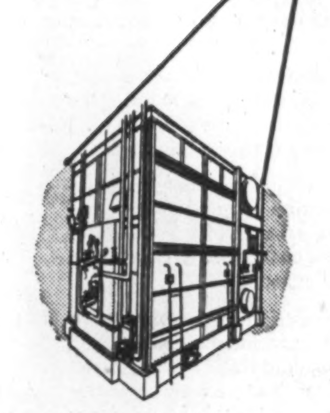

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LONDON CALLING—*By Adelphi*

Heads or Tails, U.K. Government Loses On the Vote to Abolish Hangings

LONDON—Life is never dull in London. We started off last week with the silver wedding anniversary of the King and Queen; then the House of Lords spent two days discussing whether they would accept the decision of the Commons to do away with hangings; the Labor Party finally screwed up its courage and expelled Mr. Platts-Mills for his letter to Signor Nenni the Crypto-Communist; and finally the £2,000 Guineas for three-year-old colts and the £1,000 Guineas for three-year-old fillies were duly run.

The skies were properly radiant for the Silver Wedding Festival, and the good-natured London crowd turned out in huge numbers and cheered everyone they recognized as cars slowly made their way along the Strand and up Ludgate Hill. When Winston Churchill got out of his car and went up the famous steps, the people cheered to the very housetops. The old warrior stood bareheaded, bowing to the people he had saved in the war and who had shown their gratitude by kicking him out in 1945.

The service was superbly done, and once more I must remark that when it comes to pageantry the English have no equals. And if our interest was chiefly in the King and Queen, what a comely, youthful pair are Princess Elizabeth and the Duke of Edinburgh!

There is a type of mind which regards royalty as a costly and outdated extravagance. So shrewdly are the Royal finances managed that the annual cost of the Monarchy to each British citizen is less than the cost of a single cigarette. King George and his Queen have strengthened the Throne, and the popularity of Princess Elizabeth ensures its future for decades to come.

There is an absurd idea that change is another word for progress. What rot! I often think these days of the words of the grand old hymn: "Change and decay in all around I see." They often go together.

* * *

Even the Bishop Asked Death Penalty Remain

I dropped in to the first day's debate at the Lords and heard that former Home Secretary and Lord Chancellor, Lord Simon, telling his fellow peers that the shadow of an unused gallows was something that dared not be risked. In fact the very stability of the realm seemed to hang at the end of the rope.

He was followed by the Bishop of Winchester, dressed in his white cassock, and I thought that we should hear the humanitarian side and a plea for the chance to save the murderer's soul. But I was wrong. With the voice of a great actor and with the adroitness of a great lawyer he spoke of justice, mercy, Christianity and faith—and plumped for the continuation of the death penalty. He said that Christianity did not forbid the taking of human life.

Spurred on by Winchester, another prelate, the Bishop of Truro, not only advocated the retention of the death sentence but suggested that its use should extend for such crimes as rape. Viscount Samuel, a former Liberal Home Secretary, was less bloodthirsty but could not bring himself yet to remove the scaffold from British justice.

The next day Lord Templewood, formerly Sir Samuel Hoare, spoke eloquently and movingly for the abolitionists but the feeling of the Peers was against him. So the whole matter resolves itself into this:

1. The Government wants the death penalty.
2. So does the official Tory Opposition.
3. The Lords, as the Upper Chamber, want it.
4. But the Commons by a free vote have decided to do away with it.

Whatever the unfortunate Socialist Government does will bring scorn and contumely upon its head. If it accepts the Lord's amendment then it will flout the decision of the Commons. But if it rejects the Lords' amendment it will be confirming the abolition of the death penalty which, as a Government, it considers essential to the safety of the realm.

Heads or tails the Government loses, which is probably why so many Socialist ministers look very thoughtful these days.

* * *

A Socialist Expelled But There Are Precedents

However, they have expelled Mr. Platts-Mills from the Parliamentary Socialist Party, and he has also been thrown out by his own local association. He may find, though, some consolation in recalling that a few years ago Sir Stafford Cripps and Mr. Aneurin Bevan were similarly expelled and that they now sit in the seats of the mighty.

* * *

I am sorry to learn that there has been a sharp upward trend in business bankruptcies. The era of easy profits is over and the weak and the unlucky will be pushed to the wall.

* * *

There is much interest in the forthcoming Empire Conference in London. Our ears will be listening particularly to the nuance of the Canadian voice, to see if the American accent has grown stronger.

* * *

Mr. McEachren, the Editor of The Financial Post, is making an altogether too brief visit. He is in great demand and has made a fine impression.

ONTARIO HOLIDAY *Scrapbook*

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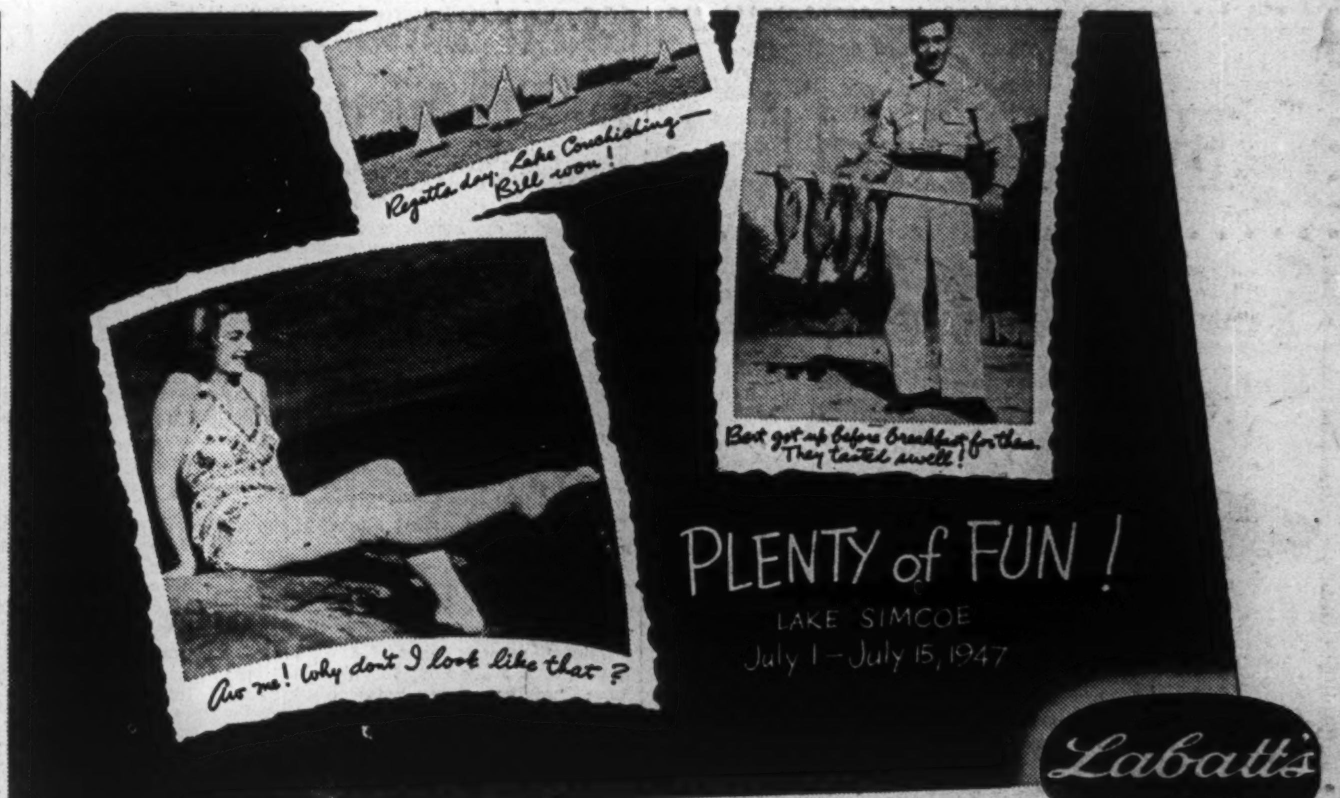
TOURIST BUSINESS IS GOOD BUSINESS



One of a series of advertisements about Ontario Holidays published in the Public Interest by John Labatt Limited

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted.

CANADA SAFEWAY LTD. 1947 net profit was up 46.2%. Net sales were $65,545,583 as compared with $62,190,603. Results include the operations of Macdonalds Consolidated Ltd. only for the six months ended Dec 31, 1947, the period during which the company was a subsidiary of Canada Safeway Ltd. In addition, Macdonalds Consolidated had net sales of $8,517,787 during the first six months of 1947.

During the year the company added three stores and three meat sections to its operations. In the same period, three other stores in which were located meat sections, were closed. The company now owns a substantial number of properties upon which it plans to construct retail store facilities when construction costs stabilize. As at year end, 141 retail stores were in operation. In addition, the company and its subsidiaries operate 12 principal warehouses, two produce warehouses, three bakeries, a coffee-roasting plant, a fluid milk plant, a jam and jelly plant, and a number of smaller warehouses. A fruit cannery and a vegetable cannery have also been acquired by an affiliated corporation. Production from these canneries will be available to augment the supply of these products for the retail stores.

CONSOL. INCOME ACCOUNT

Fiscal Year Ended:	1947	1946
Net sales	$65,545,583	$62,190,603
Less: Cost of sales	56,277,561	53,549,579
Gross profit	9,268,022	8,641,024
Less: Oper. exp., etc.	7,064,955	6,948,024
Net earnings	2,203,067	1,693,000
Less: Deprec.	215,646	226,887
Bond int.	44,877	......
Pension fund	33,355	......
Inc. taxes	768,399	665,190
Net profit	1,141,790	780,923
Less: Pref. divds.	41,400	......
Com. divds.	1,400,000	......
Deficit for year	299,610	......
Earnings per Share* and Dividend Record:		
Pref.	$57.09	$39.05
Paid	2.05½	....
Common	37.56	24.68
Paid	5.00	....

*Based on present outstanding capital stock.

CONDENSED CONS. BALANCE SHEET

As at:	Dec. 31 1947	Mar. 31 a1947
Cash	$3,355,196	$1,076,452
Accts. rec.	1,048,925	1,046,980
Inventories	7,157,402	5,908,903
Total curr. assets	11,561,523	8,032,335
Prep. exp.†	82,433	217,838
Investments	221,937	162,696
Misc. assets‡	......	71,538
Cash re par. co.	......	6,244,892
Fixed assets*	1,392,252	1,676,053
Total assets	13,258,145	16,405,351
Accts., tax., etc., pay.	2,899,408	2,273,202
Due parent co.	2,509,085	46,480
Total curr. liabs.	5,408,493	2,319,682
Due parent co.	......	6,244,892
Funded debt	3,000,000	3,000,000
Capital stock	4,800,000	4,800,000
Paid-in surplus	40,777	40,777
Earned surplus‡	8,875	......
‡Incl. ref. EPT	......	67,378
*After depr. of	1,874,930	1,767,460
Working capital	6,153,030	5,712,653

aPro forma, after reorganization.

†Included in current assets in co's. report at Dec. 31.

THAYERS LTD. 1947 net profit was up narrowly from previous year at $52,776 ($46,195). During the year there was considerable capital expenditure for equipment to modernize facilities at existing outlets and also to equip new outlets, which should result in a beneficial addition to gallonage handled, the annual report states.

Current sales are running well ahead of the same period last year but having regard to unsettled world-wide conditions and taking into consideration possible restriction in availability of products for resale, together with marked increases in all types of operating costs, the company is not in a position to make confident predictions as to the future, it is stated.

INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Sales	$1,266,927	$1,280,894
Net profit	52,776	46,195
Less: Pref. divds.	23,713	23,713
Pref. s. f.	2,937	......
Surplus for year	26,126	22,482
Earnings per Share and Dividend Record:		
Pref.: Earned	$5.56	$4.87
Paid	2.50	2.50
Common: Earned	0.39	0.26

None paid.

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & neg. sec.	$253,689	$292,240
Accts. rec.	131,879	96,839
Inventories	37,956	36,090
Total curr. assets	423,724	425,169
Prep. exp.§	4,872	1,784
Misc. assets	33,549	19,058
Fixed assets	755,378	688,638
Leases contracts	94,654	94,654
Total assets	1,312,177	1,230,103
Total curr. liab.	152,842	119,244
Reserves	526,113	503,764
Capital stock	527,882	527,882
Surplus	105,340	79,213
Working capital	270,882	305,925

§Incl. in curr. assets in co's. report.

BLUE TOP BREWING CO., Kitchener, Ont. 1947 net profit was off 48.8%. Some major improvements to plant and equipment were made during the year and directors feel this will reflect favorably in 1948 operations, President Arthur Diesbourg states.

INCOME ACCOUNT

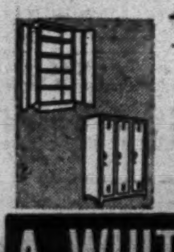
Years Ended Dec. 31:	1947	1946
Net earnings	$258,223	$580,906
Less: Deprec.	49,133	47,282
Inc. tax res.	77,508	276,325
Net profit	131,582	257,299
Less: Cl. B divs.	32,943	26,354
Surplus for year	98,639	230,945
Earnings per Share and Dividend Record:		
Class B	$2.40	$4.69
Paid	0.60	0.48

CONDENSED BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & Dom. bds.	$1,029,662	$1,055,571
Accts. rec.	93,805	100,209
Tax recov.	324,797	......
Inventories	244,647	170,755
Total curr. assets	1,692,911	1,326,535
Prep. exp.§	13,510	12,292
Misc. assets‡	190,675	231,243
Fixed assets*	681,419	633,261
Total assets	2,578,515	2,203,331
Bank advances	70,285	......
Accts., tax., pay.	62,572	196,841
Total curr. liab.	132,857	196,841
Capital stock	367,292	367,292
Earned surplus‡	†2,078,366	1,639,198
*After depr. of	621,414	578,392
‡Incl. ref. EPT	121,477	211,043
Working capital	1,560,054	1,129,694

†Reflects credit adjustment of $311,827 re prior year tax provision.

§Incl. in curr. assets in co's. report.



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1948
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BRITISH RAILWAYS

VALVE-IN-HEAD *is far ahead!*

in performance and economy . . . in ruggedness and reliability!

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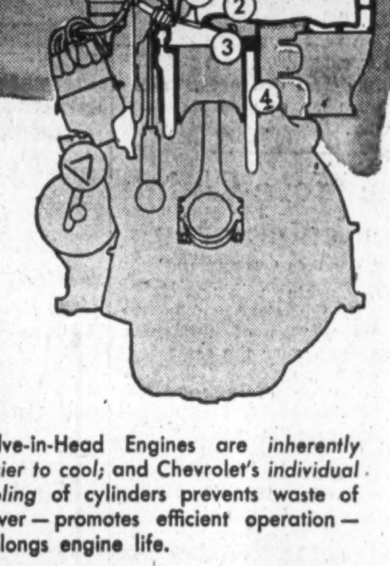

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Here's why "Valve-in-Head Is Far Ahead" in all-round efficiency

1 In the world's champion Chevrolet engine, the *valves* are located in the *head* of the cylinder, *directly over the pistons* . . . hence the name, Valve-in-Head.

2 Valve-in-Head design provides *faster intake* of fuel mixture . . . and *quicker and more complete exhaust* of burned gases . . . all of which contributes to better performance and economy.

3 Valve-in-Head design also permits a more *compact* combustion chamber; and this, together with Chevrolet's *"Blue Flame"* combustion, means more driving power for the pistons—less heat loss—and maximum economy.

4 Valve-in-Head Engines are *inherently easier to cool*; and Chevrolet's *individual cooling* of cylinders prevents waste of power—promotes efficient operation—prolongs engine life.

Moreover, with all of the valve mechanism *on top* of the engine—and therefore readily accessible—service, though seldom needed, is extraordinarily easy and economical.

Automotive experts and millions of motorists agree: *Valve-in-Head is far ahead* because it gives an *outstanding* combination of performance, endurance, dependability and economy . . . Chevrolet—master builder of this master motor—has proved this by producing more than 20-million Valve-in-Head Engines during the past thirty-seven years—engines which hold the distinction of having delivered *more* billions of miles of satisfaction, to *more* owners, over a *longer* period, than *any* other power-plant built today! Chevrolet's World's Champion Valve-in-Head Engine is another powerful reason why CHEVROLET AND ONLY CHEVROLET IS FIRST . . . another convincing proof that *only* Chevrolet gives BIG-CAR QUALITY AT LOWEST COST!

★ ★ ★

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The Financial Post

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Power Plants Continue Expansion

Ontario, Quebec and B. C. Pace Nation In Effort to Keep Up With Demands

BY W. L. DACK

The tremendous latent power in her rivers and streams is Canada's highest trump card in her current bid for an increasing place in the world industrial map.

Available water-power resources for hydro-electric development over four times as great as that being used at the moment is one of the basic factors underwriting all large-scale planning for this country.

When continents were being born and then trimmed into shape, North America was particularly fortunate from a power standpoint. Violent stresses shoved mountain ranges up, then glaciers accommodatingly scoured channels in the earth's surface. This, and an appropriate climate, have combined to give Canada the fast-flowing rivers and streams that today spell "power" and "light" to an ever-increasing proportion of the Dominion's population.

Last year, approximately 45 billion kwh was the record output of central electric stations in this country. This represents a jump of over 8% from 1946 and more than 12.5% from wartime peaks. On a population basis, this puts Canada, along with Norway and Switzerland, out in front of the rest of the world in this all-important power resource. Despite this, demand arising mainly from rapidly growing industrial activity is spurting ahead of supply at an increasing rate. This is particularly true of parts of Ontario, British Columbia and the Prairie Provinces.

Today power-producing agencies are planning, or engaged on, the largest expansion program in the shortest period of time in the Dominion's history. The desire to keep the war-expanded industrial machine operating at even higher levels and the postwar race for a larger share of disrupted world markets has put a new urgency in the program.

This year will see an estimated 500,000 hp added to Canada's power-making machine. By 1950, this will have been boosted to 1,000,000 hp—an over-all increase of about 10%. This contrasts with an average annual increase over the last thirty years of about 200,000 horsepower.

Biggest development on the Dominion power front is the proposed $300 million project to develop 2.2 million hp in the international rapids section of the St. Lawrence River between Ogdensburg, Ont., and Massena, N.Y. This project has been part and parcel of the perennially defeated St. Lawrence Seaway Plan but now New York State Governor Dewey has moved to go ahead with the power project in conjunction with Ontario in view of serious power shortages.

Power output and cost would be shared 50-50 by Ontario and New York State. Beside providing much needed electrical energy for power-starved New York state, it would release Canadian sources from some of the burden of exporting substantial power to the United States. Last year, though operating at capacity, power plants on the New York side were unable to supply needs and imports from Canada were around 2 million kwh.

If the project becomes a reality, there will be a 2.2 million hp plant at Massena, N.Y., just across the St. Lawrence and a few miles from Cornwall, Ont. It is reported that Ontario and New York state power authorities are in agreement on all essential details of the proposed power development. Washington and Ottawa approval has to be obtained.

Ontario's Changeover Plan

During the year, Ontario made her first formal step in a 15- to 20-year program to convert a large section of the province from 25- to 60-cycle frequency. Preliminary cost estimates would place this project in the neighborhood of $191 millions. The proposal has been enthusiastically approved by a large cross-section of industry. Final commitment to the undertaking awaits further study by municipalities and industry and legislative sanction.

British Columbia added approximately 53,000 hp to her total hydraulic installation during last year. The British Columbia Power Commission brought into operation the first unit of 28,000 hp in its new plant on the Campbell River, Vancouver Island, and construction is proceeding on a second similar unit.

The Powell River Co. completed the raising of the Scanlon Dam on the Lois River and installed a second generating unit of 25,000 hp in its Stillwater powerhouse. The B. C. Electric Railway Co. made considerable progress on its Bridge River plant, the first unit of 62,000 hp being expected to come into operation in Oct., 1948. The city of Nelson is installing an additional unit of 6,750 hp in its plant on the Kootenay River.

In the Northwest Territories, considerable progress was made during 1947 on the construction of an 8,000-hp development on the Snare River about 90 miles northwest of the town of Yellowknife. This project has been undertaken as a government enterprise by the Department of Mines and Resources to assist and encourage development in the Yellowknife district, power to be supplied at cost to mines and other consumers in the area.

Progress on the Prairies

Calgary Power Ltd. in Alberta completed its Barrier Development on the Kananaskis River and brought into operation its 13,500-hp single unit. In Northern Saskatchewan, the Churchill River Power Co. is currently engaged in installation of a sixth unit of 21,000 hp in the Island Falls Plant, Churchill River. The Saskatchewan Power Commission brought into operation early last year a new steam turbo-generator of 15,000 kw at Saskatoon.

In Manitoba, the city of Winnipeg brought into operation a seventh unit of 12,000 hp in its Slave Falls powerhouse on the Winnipeg River; the eighth and final unit is under installation and was expected to be in operation early in 1948. The Winnipeg Electric Co. is currently engaged in a project to raise the head at its Seven Sisters plant on the Winnipeg River to the final limit of 66 feet and the installation of a fourth unit of 37,500 hp. The present plant has three units rated at 20,000 hp under partial head but the ultimate capacity is six units of 37,500 hp each.

Construction work for the development of the Winnipeg River Power site at Pine Falls will be started within the next twelve months. The Manitoba legislature has voted $550,000 for the preliminary engineering and survey work. On the basis of regulated river flow of 20,000 cubic feet per second, the site has a potential capacity of 112,000 hp which Dr. T. H. Hogg in his recent report to the Manitoba Government said would be enough to take care of estimated increased power demands for the next three or four years.

In the meantime, the government is following advice of Dr. Hogg for future integration of power development on the Ontario and Manitoba portions of the Winnipeg River. Minister of Mines and Resources J. S. McDiarmid has announced that discussions between officials of the Ontario and Manitoba Governments are already under way.

Dr. Hogg's major recommendation has not yet been accepted as the basis for Manitoba government policy. This recommendation was that the government give early consideration to complete reorganization of the hydro-electric power industry in the province with two objectives in view;

(1) consolidation in a single provincial agency with exclusive responsibility for development and operation of all hydro-electric power plants developed and nondeveloped

(2) consolidation in a municipal or inter-municipal agency with exclusive responsibility for distribution of electrical energy; and the operation of an adequate transit system to serve the city of Winnipeg and adjoining municipalities.

A draft bill, however, has been prepared to provide the necessary legislation to make this recommendation effective. In the meantime, the Government has decided to open negotiations with the Winnipeg Hydro and the Winnipeg Electric Co. who now supply all the power from the Winnipeg River to try, as Mr. McDiarmid states: "to bring about the desired results through negotiation and voluntary action on the part of the three parties concerned—the province, the city and the Winnipeg Electric Co."

Ontario Program Heavy

Biggest Dominion power expansion is taking place in Ontario. In 1947, the Hydro-Electric Power Commission of Ontario supplied the greatest load in its four decades of service. At the same time, it pushed forward construction in the greatest development program in its history. Currently, the Commission is engaged in a program that will boost the province's turbine installation by some 943,000 horsepower.

At the end of 1947, the Commission had two major and one smaller project under active construction with completion scheduled for 1948. The Stewartville development on the Madawaska River with a capacity of 81,000 hp in three units is expected to be placed in operation in the autumn. Progress on the Aguasabon development, on the north shore of Lake Superior near Schreiber is considerable and the plant rated at 53,500 hp is scheduled for operation in August. A fourth unit of 7,500 hp being added to the Ear Falls plant, English River, is expected to be completed this month.

On the Ottawa River, preliminary construction activities were well advanced on the Des Joachims development. Initial plans called for installation of six units of 60,000 hp each, the first two to come into operation in 1950. The Cheneaux Rapids site, which will have an ultimate capacity of 60,000 hp, was in the earlier preliminary stages of construction with initial operation also scheduled for 1950.

In Northern Ontario, a beginning was made on two new important projects. The Pine Portage site on the Nipigon River will have initial capacity of 30,000 hp in two units and ultimately four units. The tunnel site on the Mississagi River, about 19 miles from Thessalon, will have two units of 29,000 hp each.

The Great Lakes Power Co. recently announced a $2 million expansion program involving construction of a 13,000 hp extension to its power plant on the Michipicoten River 90 miles north of Sault Ste. Marie, and completion of storage dams on the Montreal River and Lake Manitowic on the Michipicoten River. The company also announced plans to increase its rural power lines throughout the extensive Algoma district.

A $21 million steam plant for generating 60-cycle electricity will be constructed by the Hydro-Electric Power Commission of Ontario on the Detroit River on the outskirts of Windsor. Scheduled for service by 1951, the new plant will be co-ordinated into the present system. It will have an initial capacity of 120,000 kw (160,000 hp) and an ultimate capacity of 240,000 kw (320,000 hp).

Progress in Quebec

In Quebec, the Gatineau Power Co. last spring completed the installation of the fifth and final unit of 24,000 hp in its Farmers Rapids plant on the Gatineau River. The Lower St. Lawrence Power Co. completed construction of its 6,000-hp plant on the lower Metis River. This plant was placed in operation in October. The Shawinigan Water & Power Co. made substantial progress on construction of its new development of 195,000 hp at Shawinigan Falls, St. Maurice River, and this is scheduled for 1948 operation. The company is also planning a development of 350,000 hp at La Trenche Rapids on the St. Maurice.

The Quebec Hydro-Electric Commission is adding a fourteenth unit of 50,000 hp to its Beauharnois plant No. 1 on the St. Lawrence River and is planning construction of No. 2 powerhouse with a capacity of four units of 50,000 each. The comission is also installing a fourth unit of 16,000 hp in the Ottawa River Rapid VII plant in conjunction with a storage dam on Lake Dozois.

While no additions to hydro-electric capacity were made during 1947 in the Maritime Provinces, two new developments were under construction and scheduled for completion this year. The Nova Scotia Power Commission is making considerable progress in its Dickie Brook development which will operate initially at 3,700 hp but ultimately will have three units of 1,600 hp. The commission is also building a new steam plant at Pictou with a capacity of 10,000 kw. The Nova Scotia Light and Power Co. is proceeding with a development on Methals Brook of one unit of 4,600 hp capacity. The Canada Electric Co. is adding 15,000 kw capacity to its steam plant at Maccan, Nova Scotia. The New Brunswick Power Co. completed the addition of 10,000 kw capacity in its steam plant at Saint John and the New Brunswick Electric Power Commission is building a new steam plant of 12,500 kw at Chatham.

Power Where it Counts

The particularly favorable distribution of water-power resources in Canada has allowed the highly industrialized central provinces of Ontario and Quebec to plan for a period of sharply increased industrialization. The Province of Quebec is the richest in Canada in water-power resources containing over 32% of the total recorded for the Dminion. It also ranks highest in developed power, its present installation nearly 6,000,000 hp being 56% of the total for all provinces and representing the development of 34% of its own known resources.

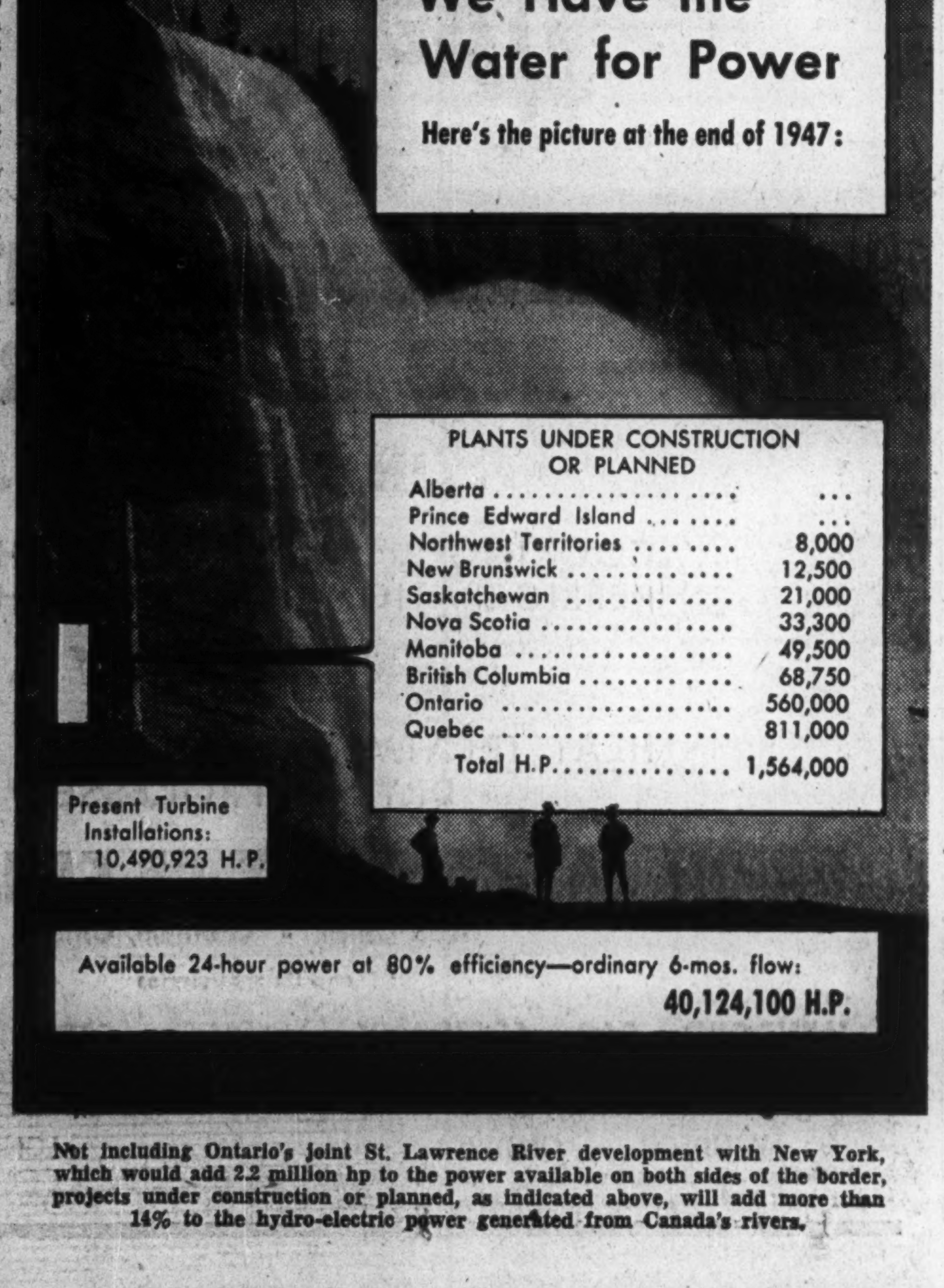
Ontario is exceeded only by Quebec and British Columbia in power resources and has developed nearly 30% of its potential power. Of the Prairie Provinces, Manitoba has the largest power resources, with great potential power on the Winnipeg, Nelson and Churchill Rivers. In Saskatchewan, water-power developments are confined to mining uses in the northern areas, the transmission network of the Saskatchewan Power Commission serving the more settled areas by fuel plants. In Alberta, the larger developments centre on the Bow River and tributaries from which the Calgary Power Ltd. serves a large part of the southern portion of the province. The larger reserves are in the northern section rather removed from present centres of population.

British Columbia ranks second in available water-power resources and is exceeded only by Quebec and Ontario in installed capacity. Practically all present developments are located in the southern portion of the province. The water power of the Yukon and the Northwest Territories is so removed from markets as to limit their present commercial development to local mining uses.

Distribution of developed water power shows central stations with a turbine installation of 9,503,404 hp as compared to total Dominion capacity of 10,490,923. Of the difference, pulp and paper mills develop some 658,741 hp or 6.3% for its own use and other industries, 328,778 hp or 3.1% for its particular use.

The pulp and paper industry is one of the greatest users of electric energy in Canada and mechanical power installation of approximately 1,000 hp is required to produce one ton of newsprint paper per day. The Dominion is particularly fortunate in generally having water-power resources available to most milling operations. Electro-chemical and electro-metallurgical processes, steam raising and general manufacturing are other big users of electrical energy.

The greatest part of the Dominion's potential power now lies in the more northern and at present rather inaccessible regions. There are, however, many sites within economic transmission distances of existing centres of population yet to be exploited and existing reserves of not-too-distant power should be sufficient to meet the prospective demand for some years at least, hydro-electric officials say. At the same time, improvement in the technique of long distance transmission is bringing additional sites within the orbit of existing systems while exploitation of mineral and other resources at more remote areas will eventually promote many other developments.



Not including Ontario's joint St. Lawrence River development with New York, which would add 2.2 million hp to the power available on both sides of the border, projects under construction or planned, as indicated above, will add more than 14% to the hydro-electric power generated from Canada's rivers.

From 1,468 million kwh a month in 1929, the output of Canadian central electric stations has advanced almost steadily to its 1947 peak of 3,802 million kwh monthly, with additions and new stations scheduled for 1948 indicating that this peak will be surpassed this year. The central electric stations are companies, municipalities or individuals selling or distributing electric energy generated by themselves or purchased for resale.

What's Outlook For Utility Stocks?

Here's How Rising Costs May Offset Favorable Factors

By JAMES H. JOYCE

What do you think of stocks of utility companies as an investment? What is their outlook?

Brokers were not too enthusiastic over the stocks of utility companies in The Financial Post's survey of opinion in the investment community last winter on the question of "What stock would you choose for security and capital appreciation over the next three years?" Only one of the 20 most "popular" stocks was that of a utility company.

It was Bell Telephone Co. which was second on the list and mentioned on 21 of the 47 answers.

Eight other utility companies were among the 119 different companies mentioned in the individual lists. Only one — Shawinigan Water & Power Co. — was on more than one list, being on six. Other utilities selected were British Columbia Power, Brazilian Traction, Light, Heat & Power, Canada Northern Power, Consumers' Gas Co. of Toronto, Canadian Pacific Railway, International Power and Winnipeg Electric Co.

The Outlook for Utilities

What then are the prospects for utility companies? The long-term outlook would generally appear favorable.

Business of all utility companies was greatly expanded during the war so some falling off was expected, with conversion from a wartime to a peacetime economy. But this did not happen.

Total consumption of both primary and secondary electric power in Canada was 9.6% higher in 1947 than in 1946 which in turn was 4.4% higher than in 1945. And growth trend is continuing, being limited somewhat at present by a shortage of generating capacity.

Sales of gas rose 12.3% in 1947, due chiefly to an increase in sales of natural gas. Sales in 1946 were very slightly higher than in 1945.

The number of telephones in use at the end of 1947 was at a new high and companies report a large backlog of unfilled orders for service, held up mainly on account of shortages of equipment.

Gross earnings of the CPR were back up almost to their all time peak make in 1944 while the trend which has been up so far this year will be helped by the recent rate increase, averaging about 21%. The CNR's gross revenue shows a similar trend although it was not quite as close to its 1944 peak.

At present analysts look for a continuation of the growth trend in all fields. The long-term growth outlook for electric utilities and for telephone utilities is considered particularly favorable. Widespread plans for expansion into the rural fields across Canada should increase usage in these fields, particularly as more equipment becomes available.

What's Against Them?

But, on the other side, continuing rising costs, particularly wages costs, is one of the chief unfavorable factors causing uncertainty in all utility fields as to whether higher business will be translated into higher profits. There is always a strong public resistance against any upward revision of all utility rate structures. This situation is well illustrated by the earnings trend of the two large Canadian railroads and by the recently granted increase in freight rates.

Also tending to act as a depressing factor in the securities of certain utilities is the amount of new financing with which they have been faced or is in prospect for expansion plans. While the expansion ultimately makes possible further growth in business and so may mean higher earnings, there is a time lag before the higher earnings from the new plant, etc., may be realized and so the new debt charges or additional stock issued may lower current earnings. A good illustration of investors' thinking in this regard is seen in the action of common stock of Bell Telephone Co. of Canada. It has been financing recently by both bond and stock issues and has more financing ahead of it.

Companies greatly strengthened their financial structures during war years and so were in a strong position to start expansion programs. For example summary figures compiled by the Bank of Canada for 24 electrical utility companies shows their net working capital at the end of 1946 of $42.2 millions is over three times the 1939 figure of $13.7 millions while their funded debt has been reduced 9.3% (from $407.9 millions to $369.7 millions). Debt charges have been further reduced by refunding outstanding debt at lower coupon rates, eg. Shawinigan Water & Power Co. and Winnipeg Electric Co. This trend appears likely to be reversed for some companies at least.

The Action on the Markets

Investors' appraisal of utility company stocks is indicated by the market action of the stocks.

The prices of utility stocks, as measured by the Dominion Bureau of Statistics, has not kept pace with the general market rise although it also did not decline as far in the 1946 market drop. The utility stocks index is now 5.0% above its Sept. 19, 1946 level (the date of the low point for the market generally) while the DBS index of all stocks is 11.9% higher. It is still 14.9% below its May 30, 1946, level (the date of the high point for the market) as compared with 11.3% below for the all stocks index.

The power and traction utilities' index indicates their stocks showed the steadiest performance. It only dropped 10.6% from May 30, 1946, to Sept. 19, 1946, but is now only 1.3% its Sept. 19, 1946, level.

The index of the two transportation stocks shows a much more volatile action. At its peak in 1946 it was over three times its Sept., 1939, level. From May to Sept., 1946, it dropped 36% (a 70% greater drop than the index for all stocks). Now it is 23.4% above its Sept. 19, 1946, level although still 20.8% below its May, 1946, level.

The index of the two telephone and telegraph companies' stocks is now 12.6% lower than at Sept. 19, 1946. Its action is due largely to the drop in price of Bell Telephone common which is attributed, at least in part, to the volume of new financing.

A financial record of the utility companies on page 26 shows that the 1947 net profit for the 19 electric utilities for which 1947 results are available, is 10.9% higher than the 1946 figure. The net profit of the five gas companies was up 15.1% in 1947. The net profit of the 10 communication companies was up 13.1%.

The net operating profit of electric utilities increased 45% according to the Bank of Canada's summary for 24 companies. Net income for stockholders shows a smaller increase — 34% — for the same period. The return on net worth of these 24 companies averaged 5.1% for 1946 — up 27.5% from the average return of 4.0% for 1939. This indicates a favorable trend for investors.

What of Public Ownership

One increasingly important factor which investors in utility company stocks have had to evaluate is the effect of the trend to public ownership on his investment. This was more pronounced in some areas than in others.

Possibility of government ownership is an important market factor affecting several Canadian utilities. Possibly the chief market interest here currently is in Manitoba and the Winnipeg Electric situation. In British Columbia, Alberta and Quebec, agitation for government ownership would not appear to be as strong as a couple of years ago but still remain as a background factor.

The higher the corporate tax rate, the more investors must take the possibility of a sale, forced or negotiated, into consideration in deciding on an investment in a public utility company.

Individual situations should be examined closely for all factors — earnings trend, political trend, yield, growth possibilities — by investors.

A price record of the companies mentioned on the various brokers' lists shows as follows:

	1946 High	1946 Low	1948 High	1948 Low	1948 Recent	1947 Earned	1947 Paid	Yield
	$	$	$	$	$	$	$	%
Bell Telephone	216	170	169	160	163	8.80	8.00	4.91
Shawinigan W. & P.	26½	20	22	21	21¾	1.63	1.20	5.52
B. C. Power "A"	35	25	27	24¾	26¾	1.98	1.60	5.98
Brazilian Traction	30⅜	20¼	20	17	19⅛	3.28*	2.00	10.46
Can. Northern Power...	14½	9	11½	9	9¾	0.61	0.60	6.15
Consumers' Gas	188½	156½	154	145	149¼	7.19	8.00	5.36
C P R	24⅝	12½	18½	12¾	17⅞	2.04	1.25	6.99
Inter. Power	60	42	52	39	47	7.89*	(a)	...
Winnipeg Electric	21⅝	10	25⅜	20⅛	25¼	1.96	1.00	3.96

*For 1946. (a) Preferred is in arrears.
Yield is based on recent price and 1947 dividend.

Telephone Installations at New Peak But Unfilled Backlog Still Mounting

The telephone shortage which became evident in 1945-46 was still present in most parts of Canada at the end of 1947. While all companies installed a record number of new telephones, backlogs of unfilled orders continued to mount. This was due partly to slow deliveries of equipment and raw materials, and partly to a continuing increase in demand for telephone service. This demand has, in turn, required a large expansion in exchange facilities, particularly in larger centres.

In many communities dial or automatic service went into operation last year and several more changeovers are slated for this year. An expansion of rural telephone service was also noted in 1947. In Ontario and Quebec, 55% of all establishments in a large part of the rural areas now have telephone service, but more than 10,000 rural applicants were still waiting for service at year's end.

While telephone companies are handling a record amount of business, with attendant increases in gross revenues, sharply increased costs have cut into net profits. Bell Telephone Co., the biggest operator in Canada, reported an increase of 16.6% in costs during 1947 over the previous year. Telephone rates have remained unaltered, notwithstanding increased labor and material costs.

Some Canadian telephone companies are adding new sources of income by providing wire service to companies selling recorded music to factories, restaurants, etc. Also it is suggested that television programs originating in United States may be brought into the larger Canadian cities by means of telephone company coaxial cable. In addition, a definite trend in telephone service is the linking of radio with land lines to provide service to remote communities. During 1947 telephone service was extended to or re-established with 20 additional overseas countries. Connections are now available to 72 overseas countries, as compared with 68 at the beginning of the war.

To provide funds for the large-scale expansion of plant and facilities, some companies in 1947 went to the money market with public offerings of stock, bonds or both. It is estimated that expansion of telephone facilities in Canada over the next five years will require expenditures of close to $400 millions by all companies.

Atlantic Utilities

Atlantic Utilities is a wholly owned subsidiary of Martitime Telegraph & Telephone Co. It is a holding company whose two subsidiaries operate the principal telephone system of Prince Edward Island and a garage shop and print shop, respectively. Repair shops are operated by Atlantic Utilities.

The company owns land, buildings and equipment in Nova Scotia valued at over $269,000 at Jan. 8, 1937 (latest figure available), and the entire capital stocks of the Island Telephone Co. and the Eastern Electric & Supply Co.

Island Telephone Co. owns and operates the principal telephone system in Prince Edward Island. The system is valued at over $1 million and serves a population of approximately 90,000.

Eastern Electric & Supply Co. operates a garage shop and print shop, having as its principal customer the parent company. The value of this subsidiary is placed at over $38,000. Repair shops formerly operated by Eastern Electric & Supply Co., have been operated by Atlantic Utilities since Jan. 1, 1940.

Radio sites were purchased near New Glasgow and Charlottetown by Maritime T. & T. Co. and its indirect subsidiary, Island Telephone Co. in 1947. Suitable equipment buildings are to be erected this year, in preparation for the installation of a fifteen channel micro-wave telephone radio system, tying in with the toll networks of both companies. The equipment is on order and the system is expected to be in full operation this summer. The operation of this system is expected to materially improve the quality and reliability of the toll service between Nova Scotia and Prince Edward Island, as well as more than doubling the present number of circuits. The radio equipment on order can be enlarged at small cost, if and when desired, to a maximum of 25 channels. Communication between Prince Edward Island and the mainland is at present provided by government-owned submarine cables, which are subject to interruption and failures, usually by ice damage during the winter season.

An individual financial or operating statement is not submitted on Atlantic Utilities, being included in the general balance sheet of the parent company in the item "Investment in Wholly Owned Subsidiary" $391,150.

Avalon Telephone

The property of Avalon Telephone Co. consists of telephone exchanges at St. John's, Nfld., and trunk lines to 20 exchanges within a radius of 100 miles, and in covering the Avalon Peninsula services a population of over 100,000. The company at last report had over 12,000 telephones in use.

Construction program has involved the erection of a new exchange building and the installation of automatic equipment at Corner Brook, which will provide service to an estimated population of 30,000 and the ultimate installation of up to an additional 2,000 telephones; changeover of present 4,200-line manual equipment at St. John's to 5,000-line automatic equipment, capable of expansion to 6,000 lines; construction of a new office building in St. John's.

In the summer of 1947 the company sold $200,000 in 5% $25 par value preferred stocks and paid the initial quarterly dividend of 31¼c per share on the new stock on Dec. 31, 1947. The regular semi-annual dividends of 87½c on the 7% preferred and 75c per share on the 6% preferred, together with the annual $1.75 per share on the common stock, were paid on the same date.

Gross earnings of Avalon Telephone in 1946 totaled $456,497 ($457,364 in 1945). After charging operating expenses and taxes, depreciation, bond interest, providing for income tax, the 1946 profit was $60,317 ($64,952 in 1945). Working capital at Jan. 1, 1947, was $804,934 ($61,401 at Jan. 1, 1946).

The complete changeover to automatic equipment is expected to bring about an increase in annual earnings of around $30,000, at least, after allowance for depreciation, company states.

B. C. Telephone

British Columbia Telephone Co. is the second largest privately owned telephone operating company in Canada, operating under a perpetual franchise. The territory served has a population of approximately 750,000 and includes the cities of Vancouver and Victoria. In 1941, amendments were made in the company's charter giving authority to operate wireless telephone and radio telephone systems.

Demands for new and additional telephone service in 1947 outstripped the company's ability to meet them, due largely to the inability to obtain the apparatus and equipment required. At the end of 1947, there were 193,736 telephones in service, an increase of 18,898 during the year, by far the largest annual increase in the company's history. At the year end there was still a waiting list of 18,237. The number of originating long distance calls were 11% higher than the number recorded in 1946. Volume of local calls also set a new record, the estimated total for the year being 378,100,403 as compared with 338,383,545 in 1946.

A number of central office buildings throughout the company's territory were remodelled in order to provide for the installation of additional apparatus and equipment. In Vancouver progress was made in extending the use of the dial system and the Cedar office was placed in service toward the end of the year. Shortages of equipment continued to cause an overloading of both long distance and local exchange facilities. This, together with a high ratio of operating staff new to the business, resulted in the service generally remaining below normal standards, President Gordon Farrell states.

A $35 million program of improvement and expansion to meet present and future demands has been undertaken by the company and will be continued over the next few years. About half the funds will be spent on central office equipment and the rest on construction of additional exchange buildings, extension of present facilities, etc. The eight-story addition to the head office building, costing approximately $1 million, is nearing completion.

The company completed a private sale of an issue of $2 millions in 3¾% first mortgage bonds, series C, due March 1, 1971. The issue is in addition to 1947 financing which involved the issuance of $3 millions in 3⅛% first mortgage bonds, series due 1971; a public offering at par of $5 millions 4% 15-year notes due 1962; and $1.3 millions 5% unsecured notes due 1963. All funds are to be applied to the expansion program. In addition, the company was empowered by the Federal government to increase its authorized share capital from $11 millions to $25 millions.

Operating revenue in 1947 rose to $10,960,576, up from $9,628,300 in 1946. The increase, however, was partially offset by higher operating costs and net 1947 profit at $718,708 was substantially the same as $716,544 earned in 1946.

Bell Telephone

Early this year Bell Telephone Co. of Canada announced a five-year construction program calling for total expenditures of some $350 millions with probably a similar undertaking in the following five years. To meet these substantial expenditures the company has secured approval of the Banking and Commerce Committee of the Senate to increase authorized capital from $150 millions to $500 millions and reducton in par value from $100 to $25. The request is now before Commons. Previously Bell Telephone had contemplated a program involving approximately $100 millions, of which $29 millions was expended in 1946 and $53.6 millions in 1947.

The company has under construction, recently completed or in the planning stage 100 buildings, of which 45 are new buildings and 55 are extensions to existing structures. To date about 363,000 new telephones have been installed under the expansion program which originally called for installation of 400,000 new telephones. Building program called for completion of 20 buildings in 1947, 55 for the current year and 25 for 1949. All but four of the buildings are expected to be completed before the summer of next year.

The total number of telephones in operation at Dec. 31, 1947 was 1,306,975, along with an additional 220,102 with which the company has connections, making a total service on 1,527,077 telephones. In spite of 129,051 telephones being installed in Ontario and Quebec during 1947 the number of deferred applications on file rose to 93,989 at year-end from 84,000 at the same date in 1946. There are over 10,000 rural applications on file.

President Frederick Johnson stated at the 1947 annual meeting that the company did not see any end to the continuing high level of demand for service and therefore anticipated a continuing need for new capital to provide funds for construction programs. While earnings were satisfactory in 1947 to meet dividend requirements, Mr. Johnson stated the company could not live forever within its present rate structure. These rates were established 21 years ago in the face of vastly different economic conditions from those under which the company now operates. The last general rate increase of the company was granted in 1927.

Early in February, 1948, Bell Telephone sold $35 millions in 3¼% first mortgage bonds with proceeds to be used for financing construction needs. Financing in 1947 included sale of $35 millions in first mortgage bonds with proceeds used mainly for the retirement of $30 millions in 5% Series B bonds, as well as an additional stock offering of 211,227 shares, as rights, at $140 per share. The additional shares, together with those sold in 1946, provided approximately $54 millions towards the cost of the company's construction job.

Net profit in 1947 of $9,701,652 was equal to $8.80 per share on average outstanding capital ($8,274,370 and $9.07 per share in 1946). Gross revenue from all sources totaled $86,566,486 in 1947 ($78,014,338 in 1946). Surplus forward increased from $2,407,731 to $3,291,343 with refundable portion of Excess Profits Tax remaining at $6,506,813.

Regular dividends at the rate of $8 per share per annum have been paid quarterly since the initial payment at this rate on July 15, 1937.

East. Twp. Tel.

Eastern Townships Telephone Co., a subsidiary of the Bell Telephone Co. of Canada, operates the telephone system in the vicinity of Sherbrooke, Que. The company has 10 exchanges and at Dec. 31, 1947, had 4,459 telephones in service, an increase of 527 over 1946.

Gross revenue from all sources totaled $216,958 in 1947, an increase of 10.6% over 1946. Net profits were $32,508 or $1.85 per share as against $28,741 or $1.64 per share in 1946. On July 3, 1947, supplementary letters patent were issued increasing authorized capital from 20,000 to 50,000 n.p.v. shares.

Gross additions to plant of Eastern Townships Telephone amounted to $84,300 in 1947, an increase of $24,900 over the previous year. The net increase in fixed capital during the year, after allowance for the original cost of plant removed from service and not reused was $55,800 as against $33,400 in 1946.

The company sold plant and equipment located within the boundaries of the United States in Oct., 1946, to the New England Telephone & Telegraph. The equipment had been used to service 150 subscribers in Vermont.

Farmers' Tel.

Farmers' Telephone Co., a subsidiary of the Bell Telephone Co. of Canada, operates the telephone system of 1,774 stations in and adjacent to the town of Howick, Que. The company operates seven exchanges situated at Franklin, Hemmingford, Howick, Ormstown, St. Chrysostome, Ste. Martine and St. Remi, Que.

Total 1946 revenue was $59,366 ($54,197 in 1945). Net 1946 profit was $5,582, equal to $1.40 per common share as against $4,843, or $1.22 in 1945. The authorized capital stock is 8,000 shares of $25 par value and 3,976 shares are outstanding for paid-up value of $99,400.

Maritime T & T

Maritime Telegraph & Telephone Co. operates the entire telephone system of Nova Scotia and—through control of the Island Telephone Co.—of Prince Edward Island. Its lines connect with the New Brunswick Telephone Company's system and it has other connections under favorable agreements for long distance business.

Gross revenues for 1947 of $4,234,707 were 6.3% over 1946. Exchange service revenue increased 7.1%, total revenues 5% with small decreases in miscellaneous revenue. Operating expenses, excluding taxes, jumped 19.3%, and net profits were slightly lower at $645,769.

New telephone installations increased 5,891, bringing total installations from 68,121 to 74,012 at the end of 1947. Unfilled orders were almost as large at the end of the year as at the beginning of 1947. Plant and property extensions in 1947 totalled $1,755,265. Nineteen additional toll circuits were placed in operation, totalling 1,300 miles. A large program of aerial and underground cable extension was carried out and dial equipment additions were installed in eight exchanges and manual switchboard additions were installed in nine exchanges.

The 1948 budget calls for gross capital expenditures of $3,654,417. Included in the 1948 expenditures were projects authorized for 1947 but still in progress or not yet started due to shortage of necessary materials and equipment. Radio sites have been purchased near New Glasgow and Charlottetown where buildings will be erected for installation of a 15 channel micro wave telephone radio system, tying in with the toll networks of both the parent and its subsidiary companies. A new central office building is to be erected at New Waterford and a new building is planned for the Lorne-Armdale exchange in Halifax.

Net 1947 profits of $645,769 were equal to $4.31 per preferred share and $1.24 per common ($662,677, or $4.42 and $1.31 per share in 1946). Working capital

(Continued on page 30)

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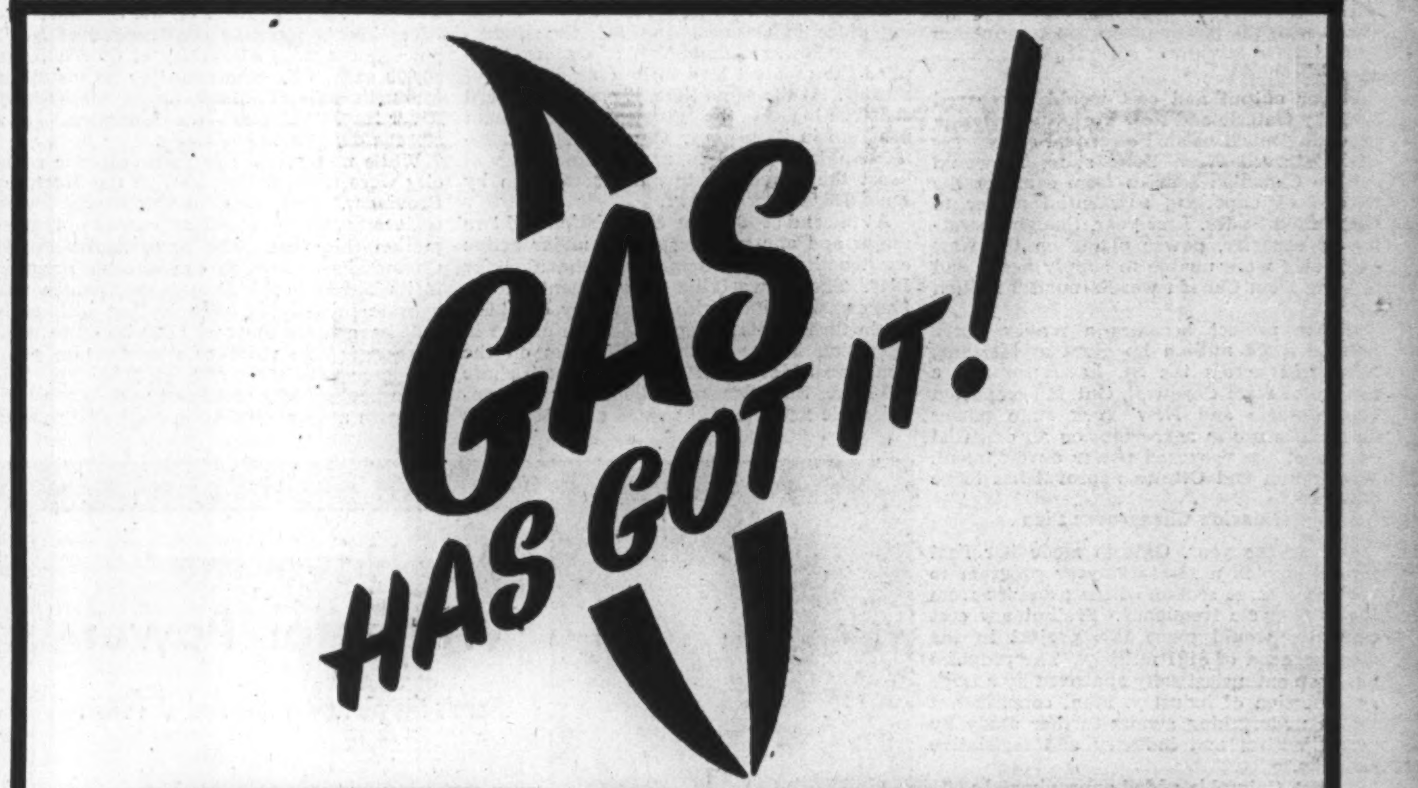

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Prairie Provinces Add 40,500 hp in '47 Bigger Projects Under Way for This Year

In 1947 the three Prairie Provinces completed installation of some 40,500 h.p. to its power-producing machine, bringing total capacity to 630,720 h.p. Manitoba accounts for the giant's share—446,825 h.p.

Calgary Power Ltd. completed its Barrier Development on the Kananaskis River and brought into operation its 13,500-h.p. single unit. In Northern Saskatchewan the Churchill River Power Co. is proceeding with the installation of a sixth unit of 21,000 h.p. in the Island Falls plant on the Churchill River. The Saskatchewan Power Commission brought into operation in January, 1947, a new steam turbo-generator of 15,000 k.w. at Saskatoon.

In Manitoba, the city of Winnipeg brought into operation the seventh unit of 12,000 h.p. in its Slave Falls power-house on the Winnipeg River. The eighth and final unit is under installation and is expected to be in operation early in 1948. The Winnipeg Electric Co. is progressing with the raising of the head at its Seven Sisters plant, Winnipeg River, to the final limit of 66 feet, and the installation of a fourth unit of 37,500 h.p. Ultimate capacity is six units of 37,500 h.p. each.

Dr. T. H. Hogg, former chairman of the Ontario Hydro Commission, recently made an exhaustive study of Manitoba's hydro-electric power industry and his principal recommendations were: That the Government set up two agencies, namely: A municipal provincial agency responsible for development and operation of all hydro-electric plants. A municipal or inter-municipal agency with exclusive responsibility for distribution of electrical energy and operation of a transit system to serve the city of Winnipeg and adjoining municipalities.

Canadian Utilities

Canadian Utilities Ltd. is engaged in the generation, transmission, distribution and sale of electric energy for light, heat and power purposes in Alberta.

In Jan. 1, 1947, the company sold its property in Saskatchewan (other than Lloydminster) to the Saskatchewan Power Commission for $3.6 millions.

Canadian Utilities has been following an aggressive expansion program in Alberta, having spent $1,428,959 on capital expenditures in 1947. In 1948, according to company estimates, expenditures will be $1.8 million.

Sales in 1947 totalled $1,116,155 as against $2,005,564 in 1946 which included sales by the system in Saskatchewan which is now controlled by the Commission in that province. Net earnings totalled $585,384 in 1947, but deducting bond interest, other interest, exchange premium, writing-off bond discount and providing for income tax, net profit left was $250,008 ($299,836 in 1946). Working capital was $477,102 as against $523,352.

During 1947, Canadian Utilities redeemed its $2.5 millions first mortgage 3¾% bonds and its $1 million first mortgage 4% bonds, and sold $2.5 millions first mortgage 3⅛% sinking fund bonds.

The company is controlled by International Utilities Corp.

Calgary Power

Calgary Power Ltd. is a new company formed last year to acquire the assets and business (other than shares of Calgary Power Investments) and liabilities of Calgary Power Co. The latter company went into voluntary liquidation and asset division provided for the distribution of 280,000 n.p.v. common shares of Calgary Power Ltd. and 35,000 n.p.v. Calgary Power Investments shares at the rate of eight common shares of the new company, plus one share of the investment company for each common share of Calgary Power Co. held.

Calgary Power Ltd. supplies power under contract to the city of Calgary and to various industrial enterprises in and about that city. The company also supplies power to Lethbridge, Vulcan, Ponoka, Red Deer, Wetaskiwin, High River, Nanton, Strathmore, Gleichen, Exshaw, Bassano and other industrial towns and districts in Alberta.

There are four hydro-electric stations in operation on the Bow River, west of Calgary — the Horseshoe Falls, The Kananaskis Falls, the Ghost River and the Cascade plants. The 16,000 hp hydro-electric station at the Barrier site on the Kananaskis River was completed and placed in operation in August, 1947.

The company has one wholly-owned subsidiary, Calgary Water Power Co.

Gross revenue of Calgary Power Ltd. amounted to $2,347,623 for the period June 17 to Dec. 31, 1947. After deducting operating expenses, depreciation, interest and exchange and providing for income taxes, net profit was $443,380, or $8.87 on the preferred and 96c per common share. Outstanding capital stock comprised 50,000 4% preferred shares and 350,000 common shares at Dec. 31, 1947. However, a further issue of 20,000 preferred shares was made during March, 1948.

Churchill River

Churchill River Power Co., a wholly owned subsidiary of Hudson Bay Mining & Smelting Co., operates the Island Falls hydro-electric plant on the Churchill River and supplies electricity to the parent company and other mining operations in the district. A wholly owned subsidiary, Northern Manitoba Power Co., supplies power requirements to the town of Flin Flon, Man.

Power generated at the Island Falls plant was the second highest on record totalling 471,921,600 kwh. The subsidiary's sales to Flin Flon were again the highest on record. Northern Power Ltd., a wholly owned subsidiary of Northern Manitoba Power Co., supplies power for the boundary area and Creighton subdivision, Sask.

An extension of the Island Falls power house to accommodate a sixth electric generating unit was completed in 1947 and the new unit will be delivered and installed this year to bring capacity up to 110,000 hp.

Int. Utilities Corp.

International Utilities Corp. is a U. S. holding company whose principal holdings are in the common stocks of its three Canadian subsidiaries which confine their operations almost entirely within the Province of Alberta. The subsidiaries are Canadian Western Natural Gas Co., Northwestern Utilities Ltd. and Canadian Utilities. Investments in Canadian subsidiaries were carried at $8,905,723 at Dec. 31, 1947, based on values at Dec. 31, 1942.

The company completed the sale of the Saskatchewan electric property to the Saskatchewan Government on Mar. 31, 1947, for $3.6 millions.

The net income of the Canadian subsidiaries, applicable to the investment of International Utilities Corp., amounted to $1,247,671 in 1947 ($1,180,094 in 1946). Of the 1947 income the sum of $902,578 was remitted to International Utilities Corp. in 1947, leaving $345,093 in the hands of the subsidiaries for corporate purposes.

The subsidiaries spent $3,944,000 in 1947 on additions to facilities.

Net 1947 profit of International Utilities Corp. amounted to $1,143,188 or $1.45 per common share as against $1,006,495 or $1.28 per share in 1946. Working capital was $1,852,585 ($2,425,637).

Manitoba Power

Manitoba Power Commission served 221 cities, towns and villages at Mar. 31, 1947 (latest figures). A total of 218 communities registered increased consumption of electric power, contributing to a 28.3% rise in total number of kilowatt hours purchased and generated in four months ended March, 1947, as compared with corresponding months of the previous year.

Construction of farm lines continued and of the 645 new farm services connected, 93 were farms within five poles of low voltage transmission lines

The unprecedented growth of the load on the system has necessitated an extensive program of improvements.

Fiscal year was changed from Dec. 31 to Mar. 31 and income for the three-month period to Mar. 31, 1947, totalled $910,171. After charging operating expenses, interest on debentures, depreciation and sinking fund charges, the net profit was $212,087.

Dr. H. T. Hogg, former Chairman of the Ontario Hydro Commission, recently made an exhaustive study of Manitoba's hydro-electric power industry.

National L & P

National Light & Power Co. serves Moose Jaw, Saskatchewan and surrounding districts with electric light and power. Its plant has a capacity of 20,500 kw with auxiliary steam equipment. The company also sells electricity wholesale to the Saskatchewan Power Commission. Output in 1946 totaled 53,362,402 kwh.

Gross operating revenue and other income in 1946 (latest figures available) totaled $852,963 as against $760,655 in 1945. After expenses, net earnings available for bond interest, were $431,389 ($350,286). Funded debt at Dec. 31, 1946, comprised $1,972,500 outstanding 4½% first mortgage sinking fund bond, series C, due March 1, 1961, and 225,000 outstanding 5½% general mortgage bonds.

National Light & Power turned over the contract and service departments to Sterling Electric Co. early in 1947.

Northwest Util.

Northwestern Utilities Ltd. supplies natural gas to the city of Edmonton and 12 other communities in Alberta, serving a population of approximately 136,000. The company produces gas principally from its own wells in the Viking and Kinsella fields and distributes gas through its own system of pipelines.

Gas sales totalled 10,516,293 mcf in 1947 (8,876,832 mcf in 1946). Some 27,284 customers were served in 1947 and 23,376 in 1946. During 1947 the company spent $1,890,179 on capital account.

In preparation of future capital requirements, which in 1948 will amount to well over $2 millions, the company sold in Jan., 1948, an additional $2 millions of first mortgage 3½% bonds, $500,000 4% cumulative preference shares and $250,000 common stock.

Net sales in 1947 totalled $2,441,215 ($2,136,570 in 1946). Net 1947 earnings were $1,325,053 as against $1,221,947 in 1946. After deducting amortization reserve, bond interest, discount and expense, writing off leases and stock issue expense and providing for income taxes, the 1947 profit was $647,216, ($537,675 in 1946). Net working capital was $840,281 at Dec. 31, 1947 ($1,249,225 at Dec. 31, 1946).

Sask. Power

The Saskatchewan Power Commission owned 3,540 miles of transmission lines serving 343 towns and villages, with 45,087 services, including rural services, at Dec. 31, 1947.

Electric energy sold wholesale to Saskatchewan, North Battleford and Swift Current was 72,807,433 kwh in 1947 as against 66,488,471 kwh in 1946. Energy retailed to customers was 67,782,420 kwh (44,318,486 kwh).

The Commission purchased the Saskatchewan properties, excepting Lloydminster, of Canadian Utilities Ltd. on Jan. 1, 1947. The wholly-owned subsidiary of the Commission, Dominion Electric Power Ltd., was also consolidated and became part of the Commission at Jan. 1, 1947.

Construction of the Estevan power plant is proceeding satisfactorily while the 20,000 hp turbo-generator was placed in service in Saskatoon in 1947 and satisfactory progress was made in installations at numerous other points.

The Commission reports total revenue of $4,482,008 in 1947 and net profit of $632,775.

Winnipeg Elec.

Winnipeg Electric Co. owns and operates the electric power, electric light, railway and gas systems in the city of Winnipeg and surrounding districts. The company competes with a municipally-owned electric light and power distribution system in the city of Winnipeg.

The company's three hydro-electric power plants are located on the Winnipeg River as follows: The plant at Great Falls has a rated capacity of 168,000 hp and consists of six units of 28,000 hp each; plant at Seven Sisters Falls has a potential capacity of 225,000 hp, with three units having 37,500 hp capacity each, but with present extensions under way capacity of three units will be increased by 50,000 hp: The Pinawa plant has a capacity of approximately 30,000 hp.

The company's wholly owned subsidiaries are: Winnipeg, Selkirk and Lake Winnipeg Railway Co., which operates the transportation services in and about the town of Selkirk and supplies electric energy to Selkirk and Stonewall and to the municipalities of West Kildonan, Old Kildonan East and West St. Paul, St. Andrews, St. Clements and Rockwood; Suburban Rapid Transit Co., which operates the transportation services and supplies electric energy in the town of Tuxedo and the municipalities of St. James, Assiniboia and Charleswood; Manitoba Eastern Railway Co., and Winnipeg Railway Co.

The company's steam plant at Winnipeg has a generating capacity of approximately 12,000 hp. The gas plant has a capacity of 2.5 million cubic feet per day and the gas is distributed through some 145 miles of mains. A liquid petroleum gas plant of 500,000 cubic feet capacity is available for heavy peak loads and a water gas stand-by plant is maintained which is capable of producing 2.5 million cubic feet per day. The traction system comprises six city and suburban street car routes, 30 city and suburban gasoline bus routes, one interurban gasoline bus route and five trolley bus routes.

Demand for electricity continued to show a steady increase in 1947. The three hydro-electric power plants generated 1,277,514,800 kwh, an increase of 4.7% over 1946, while gross revenue from sale of electricity (excluding inter-company power sales) increased 8.1%.

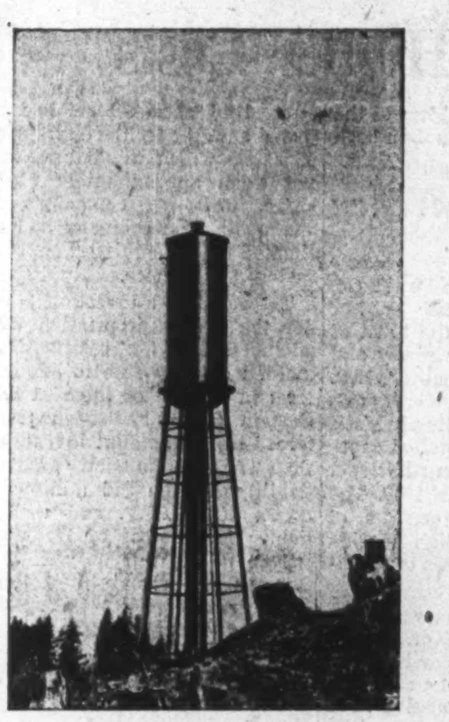
In 1947 street cars, electric trolley buses and gasoline motor buses carried 102,802,620 revenue passengers, a drop of 3,180,650 passengers from 1946.

The gas utility showed an increase in cubic foot sales of 3.5% and in revenue of 4.35% over 1946, the latter being helped by the Municipal and Public Utility Board allowing the company to cancel several of the low rate steps in gas rates.

Gross earnings from 1947 operations totalled $13,246,236 as against $12,964,158 in 1946. Net profit of $1,357,832 was equal to $27.16 on preferred and $1.96 on common shares ($959,826 or $19.20 and $1,26 in 1946).

Sale of the company's gas, power and transportation facilities to the city of Winnipeg has

(Continued on page 36)



DIFFERENTIAL SURGE TANKS

The Johnson differential surge tank shown at the left was installed by the British Columbia Power Commission in the Campbell River Development at Vancouver, B.C. The surge tank provides efficient regulation without wasting water or reducing the effective head, thus enabling the project to generate its maximum power output.

The differential surge tank has an internal riser with ports which control the flow of the water in and out of the tank to suit the load conditions under which the tank operates.

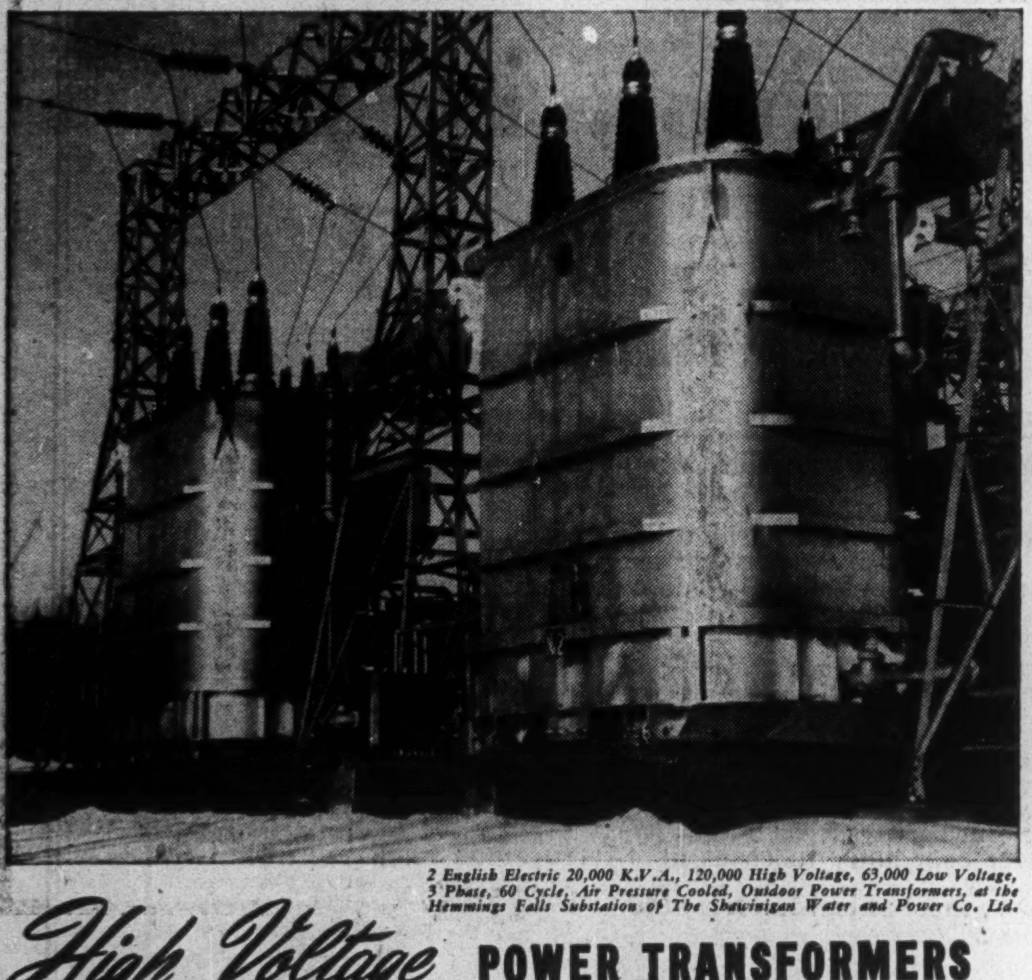
Our nearest office will be glad to send you our booklet on Differential surge tanks or furnish additional information.

HORTON STEEL WORKS LIMITED

TORONTO, ONT. FORT ERIE, ONT. MONTREAL, QUE.

Representatives:

Mumford-Medland, Ltd., Winnipeg — Gordon Russell Ltd., Vancouver



2 English Electric 20,000 K.V.A., 120,000 High Voltage, 63,000 Low Voltage, 3 Phase, 60 Cycle, Air Pressure Cooled, Outdoor Power Transformers, at the Hemmings Falls Substation of The Shawinigan Water and Power Co. Ltd.

High Voltage POWER TRANSFORMERS ...OF DISTINCTIVELY *Canadian design*

Nothing succeeds like success! The reputation of Canadian-built High Voltage Power Transformers has always been good; with the "distributed concentric" transformers of English Electric design it is better than ever.

This design — the only major advance in this field ever made entirely in Canada — was initiated, developed, and patented by engineers here in St. Catharines.

These men are ready to go to work for you whenever you want a fresh approach to the problem of Power Transformer design, with a view to greater operating efficiency.

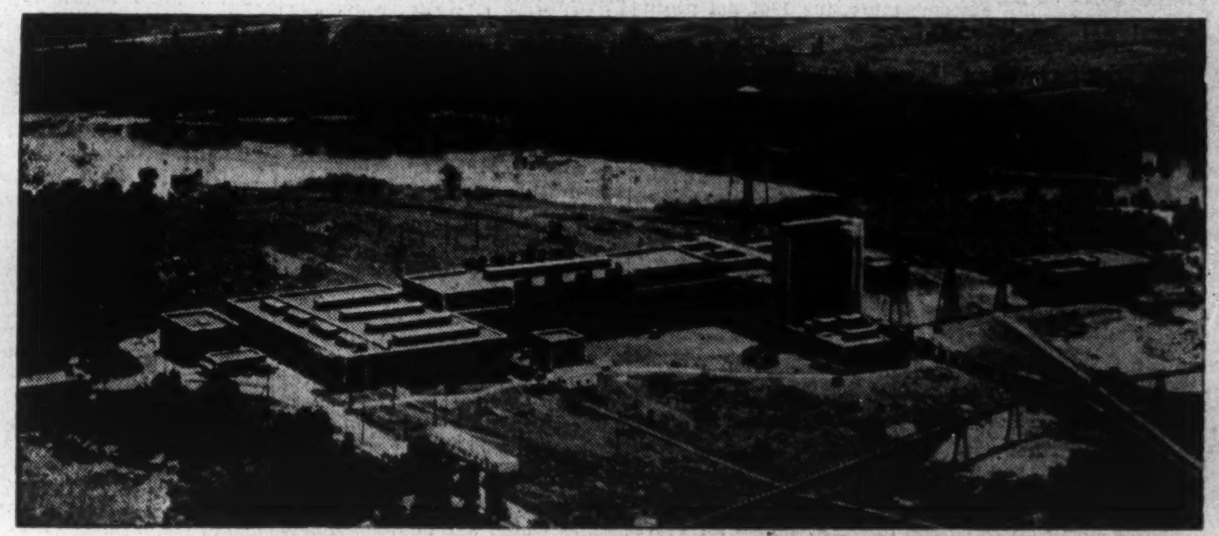
Ask the English Electric Representative nearest to you, or get in touch with us in St. Catharines.

ENGLISH ELECTRIC COMPANY OF CANADA, LIMITED

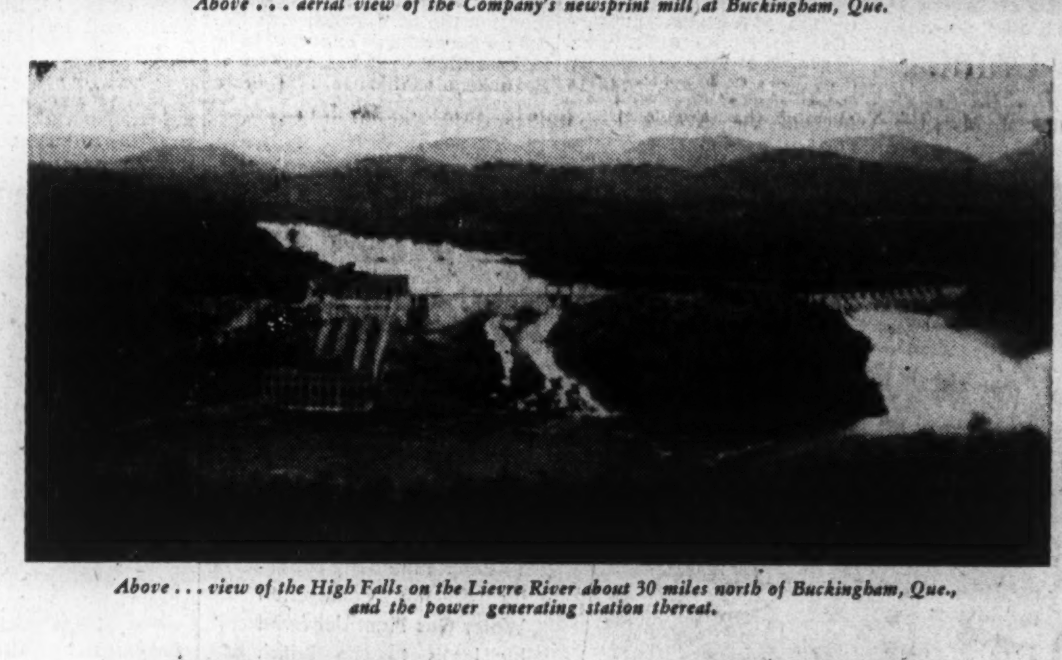
HEAD OFFICE AND FACTORY: ST. CATHARINES, ONT.

District Offices: Montreal, Ottawa, Toronto, Kirkland Lake, Winnipeg, Calgary, Vancouver.

Represented by: Foulis & Bennett Electric Limited, Halifax; Louis W. Mercier, Quebec City



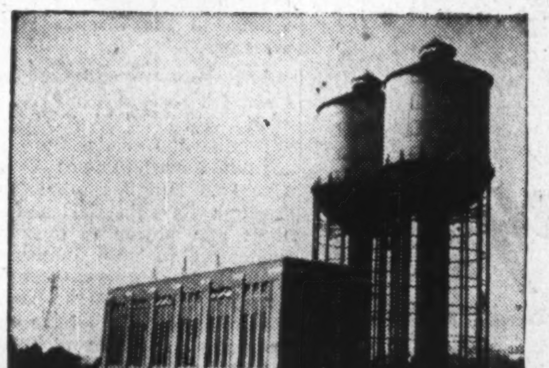
Above . . . aerial view of the Company's newsprint mill at Buckingham, Que.



Above . . . view of the High Falls on the Lievre River about 30 miles north of Buckingham, Que., and the power generating station thereat.

POWER AND PAPER

Vital to Canada's Postwar Economy



View of the Masson generating station, three miles south of Buckingham, Que., with two surge tanks at the rear. The installation here is unique—water is conveyed through a tunnel 25 ft. in diameter, about 6,000 feet in length, from a dam impounding the Lievre River to the power house. The tunnel is 200 ft. underground, and blasted through solid rock.

The surge tanks, when built, were said to be the largest in Canada.

THE JAMES MACLAREN COMPANY LIMITED

Newsprint Production - - - - - 350 tons daily capacity

Timber Limits - - - - - - - - 2,637 square miles

Newsprint is in great demand throughout the entire world. The modern and efficient newsprint mill of The James Maclaren Company Limited, at Buckingham Jct., P.Q., which is geared for full and thrifty production, is running at full capacity of 350 tons daily, in its endeavor to do its share of producing newsprint for this world-wide demand.

MACLAREN-QUEBEC POWER COMPANY

Installed Capacity - - - - - - - 270,000 H.P.

Storage Reservoirs - - - - - - - 40,000,000,000 cu. ft.

The constantly increasing use of Canada's supply of electrical power has increased production in industry, and made possible a higher standard of living.

Since 1939, its use has increased 43%, and in the past 13 years has more than doubled. In 1947, 44.98 billion kilowatt hours were generated by Canada's central station industry, of which the Province of Quebec produced almost two-thirds.

Increasing requirements for power for large scale vital industrial production for war purposes in the war period found Maclaren-Quebec Power Company ready to meet the demands made upon it. Now, in peace time, this power is an important factor in meeting postwar needs.

Back of these great enterprises stands the name MACLAREN, which has been synonymous with integrity and quality in the Ottawa Valley for over 80 years.

MACLAREN POWER & PAPER COMPANY

THE JAMES MACLAREN CO. LIMITED MACLAREN-QUEBEC POWER COMPANY

BUCKINGHAM, QUE.

Quebec Power Firms Had Good Year Earnings Up, Despite Higher Costs

Quebec power utilities in general experienced a highly successful year in 1947. Most companies showed a substantial increase in net profits, the result of increased revenues. Operating costs also increased, and there were no general increases to offset them. Shawinigan Water & Power Co. President James Wilson stated at his company's annual meeting that further reductions in electric power rates are not possible under present conditions. Costs of producing, transmitting and delivering electric energy have increased greatly.

Some companies experienced difficulty in power production last fall and winter, due to low water levels. Southern Canada Power was forced to purchase considerable amounts of power from other sources, with the result that its net earnings show a decline for the first six months of its fiscal year ending Sept. 30, 1948.

During the past year, the passing of Montreal Light, Heat & Power Co. assets into the hands of Quebec Hydro-Electric Commission was largely completed. Still to be settled, however, is the value of the expropriated shares of Beauharnois Light, Heat & Power. The matter is expected to go before the Arbitration Board for settlement but the minority shareholders' committee has not ruled out a negotiated settlement entirely.

Practically all Quebec companies are extending their services to the rural areas still further. This together with the power requirements of new industries in various parts of the province has necessitated installation of new substations, transmission lines, etc.

Power in Quebec is said to be sold at the lowest average rate per kilowatt-hour on the continent. This has resulted in unprecedented increase in demand for electrical energy for home, farm, store and factory. At the same time, Quebec has the highest per capita hydro-electric development in the world, and this has been the primary cause of rapid industrialization in the province.

Fortunately for the province, power reserves can be harnessed without interprovincial or international complications, which would indicate that future power requirements can be met without extraterritorial intervention. And besides these many advantages, the resources and reserves of hydro-electric power are greater and better located than elsewhere in Canada or United States, which means no interruption in the increase in the use of electrical energy in the province. Quebec is not faced with the problem of the "25-cycle island" as in Southern Ontario.

Lower St. Lawrence Power

Lower St. Lawrence Power Co. develops hydro-electric power and distributes it to the town of Rimouski, Que., and vicinity and to the town of Campbellton, N.B. The hydro-electric power development owned at Grand Metis Falls, Que. had an installed capacity of 9,600 hp, but an additional 3,200 hp was added in 1947. The transmission system consists of over 190 miles of high tension lines and over 450 miles of distribution lines.

The new dam and power house on the Lower Metis River, in 1945, was completed last year bringing total horsepower of the company to 18,800. New transmission lines brought two new communities into the area served. It is expected that the industrial activity projected for the north shore of the St. Lawrence will be reflected in the area served by the company, especially around Rimouski which is the main trans-shipping line for the north shore.

Expansion of services in the area served by Lower St. Lawrence Power Co. has brought about increased growth in net revenues. Gross revenue totaled $836,784 in 1947 ($725,153 in 1946). Net 1947 operating profit was $466,839 ($373,563 in 1946). After charging interest on debentures, depreciation, writing off financing expenses and providing for income taxes, the 1947 net profit was $103,423 or $2.77 per common share as against $93,451 or $2.27 per common share in 1946.

Public interest in Lower St. Lawrence Power Co. is confined almost entirely to its bonds which totaled $3,689,000 at end of 1947.

Montreal L H & P

The production facilities, distribution system and customers' service of electricity and gas in the province of Quebec of Montreal Light, Heat & Power Consolidated have been operated by the Quebec Hydro-Electric Commission since expropriation of assets by the Quebec government on April 15, 1944.

Under an offer dated Mar. 6, 1947, and a subsequent extension of this offer, Quebec Hydro purchased M.L.H.P. shares for $25 a share in cash or the equivalent in 2% 10-year government guaranteed Quebec Hydro debentures. The settlement followed nearly three years of negotiations. In June, 1946, shareholders had rejected an offer for the expropriated assets which would have netted them approximately $15 a share, including company's investments. The company had estimated the net equity at approximately $41 a share.

The company's investments under the 1944 expropriation were excluded and the company remained entirely free to administer and dispose of them at will. Certain assets had been transferred to Southmount Investment Co. The Commission assumed liability for the $78 millions in bonds of M.L.H.P. and will be liable for notes of Montreal Power falling due July 1, 1949. The company remained liable for $5 millions of notes falling due July 1, 1944, which were paid off at maturity.

Quebec Hydro

Quebec Hydro-Electric Commission was established Apr. 15, 1944, and following the expropriation of assets of Montreal Island Power Co., Beauharnois Light, Heat & Power Co., and Montreal Light, Heat & Power Cons., the Commission started operating the plants formerly owned by these corporations.

The properties owned by the Commission are: Power development on the Riviere des Prairies (Black River), a tributary of the Ottawa River (formerly Montreal Island Power Co.); power development on the St. Lawrence River, between Lake St. Francis and Lake St. Louis, approximately 25 miles above the city of Montreal (formerly Beauharnois Light, Heat & Power Co.); and six power developments formerly operated by Montreal Light, Heat & Power Cons.

Complete settlement on expropriated assets of the various companies has not been made so far as early in 1948 an arbitration committee commenced hearings regarding a proper valuation for assets of Montreal Island Power; shareholders of Beauharnois Light Heat & Power turned down the Commission's offer on expropriation and the question of valuation is to go before an arbitration board; settlement of the price on expropriated assets of Montreal Light, Heat & Power Cons. was effected after three years of negotiations.

Last year the Commission announced that in 1948 work would start on a $40 million project which would add another 600,000 hp to the Beauharnois development on the St. Lawrence. A 50,000 hp generator is expected to be in operation in No. 1 section of Beauharnois this fall. Quebec Hydro is now installing a fourth unit of 16,000 hp at the Rapide No. 7 plant on the Upper Ottawa.

The Commission's 1947 report has not yet been published. In 1946 the Commission sold electricity valued at $23,367,502, while gas brought receipts of $6,668,438 and other sales totaled $467,625; a grand total of $30,503,566, against $29,306,721 in 1946. Expenses were $23,165,092 ($15,910,808 in 1945). Figure for expenses includes taxes, interest, renewals and sinking fund requirements.

Profit for 1946 was $7,338,474 ($13,395,912 in the previous calendar year). During 1946 the Commission contributed $2.8 millions to the education fund, used $1.9 millions in tariff reductions, spent $922,651 in maintenance and $2.4 millions in improvements and $2 millions miscellaneous. Operating expenses were $12.3 millions. Beauharnois Light, Heat & Power in 1946 showed a revenue of $6,806,116 and expenses of $6,276,661, a profit of $529,454.

Quebec Power Co.

Quebec Power Co. owns and operates hydro-electric generating plants, a gas plant, street railway system and an electric railway supplying the city of Quebec and district, serving 13 counties and 125 municipalities. Control is held by the Shawinigan Water & Power Co.

The sole subsidiary, Quebec Railway, Light & Power Co., operates the tramways system in the city and suburbs of Quebec. Quebec Power Co. owns the entire issued 4% preferred shares and the common stock.

Sales of industrial power were substantially higher in 1947 as a result of increased use by existing customers and the establishment of new industries, both at the St. Malo industrial site in Quebec City and in other districts throughout company territory. During the year new commitments covering 4,901 hp were entered into, and existing contracts were revised or renewed, resulting in additional commitments for 6,453 hp. Sales of electricity for domestic purposes also increased and revenue from customers in rural areas was up 20%. Service was provided for 4,197 new electric domestic consumers during the year. The company on July 1 reduced rates for power customers up to 250 hp and also for commercial service.

Further extensions were made to the distribution system, particularly in rural areas, and 93 miles of new lines were put into service. The company acquired properties of three small distribution companies on the north shore of the St. Lawrence River, which will be connected to the system.

The company's subsidiary made further progress in converting the transportation system from streetcar to bus operation. A new storage garage was completed and shop facilities at Limoilou were adapted for use as garage work shops as will also be the car barns at St. Malo. Quebec Power sold the Kent House and its surrounding properties, reserving such areas as might be required for protection of power rights on the Montmorency River.

Gross revenue of Quebec Power in 1947 of $5,347,322 was up 9.8% above 1946. Of this amount the company received $4,688,302 from sales of power to domestic, commercial and industrial customers, an increase of 10.2% over 1946. This income was derived from sales of 333,973,556 kwh as compared with 305,236,862 kwh in 1946. Despite higher operating expenses, taxes and funded debt charges, net profits were slightly higher at $667,043, or $1.21 per common share as against $642,614 or $1.16 per share in 1946.

During 1947 the company sold a new issue of $3.5 millions 3% first mortgage and collateral trust bonds for the purpose of financing, to the extent of 75% of their cost or fair value, whichever is less, of permanent improvements, extensions and additions to the electric and gas systems.

S. Canada Power

Southern Canada Power Co., affiliated with Power Corp. of Canada, supplies directly or through its subsidiaries, electric light and power to over 50,000 customers in municipalities and districts in southern Quebec, situated between the St. Lawrence River and the International boundary. A chain of 25 retail stores is maintained for the sale of electrical equipment.

The company has a total of five power plants with an installed capacity of 58,800 hp and has undeveloped power sites with an estimated capacity of 133,400 hp. The power plants are: Sherbrooke on the Magog River; Hemmings Falls on St. Francis River; Drummondville on St. Francis River; Farnham on the Yamaska River and Burroughs Falls on Nigger River. Power output in year ended Sept. 30, 1947, reached the all-time high of 335.5 million kwh, up from 292.1 millions in 1945-46. New customers rose from 44,647 to 50,296.

Gross earnings were $4,281,573 in year ended Sept. 30, 1947 ($3,646,406 in 1946). Net profits were $1,002,627 against retained net profit of $765,612 or $783,227 including refundable EPT. Net earnings in the five months ended Feb. 28, 1948, were $658,366 as against $711,876 in similar period of 1947. Operating expenses increased during the five months period in 1948 due to purchased power on account of the drought.

New construction work undertaken in the 1946-47 fiscal year at a cost of $1.5 millions included a 48,000-volt transmission line from Farnham to Bedford, a new substation at St. Helene and larger transformers at other substations. Power plant improvements continued and during the year the company took over the city of St. Hyacinthe's former municipal system.

Dependable Power . . . at Low Cost

CUMMINS Dependable DIESEL

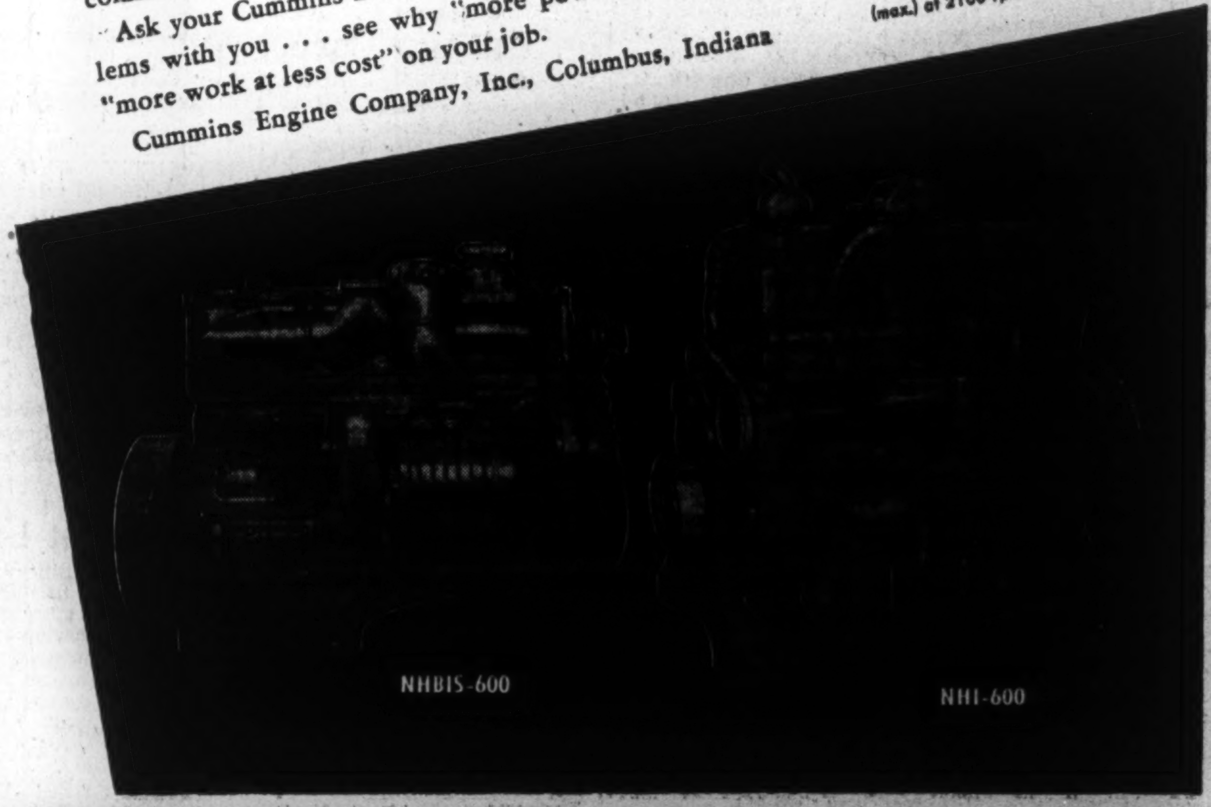
Power and *more power* . . . the kind you need on jobs requiring unfailing, day-after-day operation . . . the kind that means a continuous output at low cost.

This *plus-power* of the Series NH-600 (200 hp, max.) and NHS-600 Supercharged (275 hp, max.) Cummins *Dependable* Diesels results in efficient operation in all portable and stationary applications . . . generator sets, pumps and all types of equipment performing vital community services.

Ask your Cummins Dealer to study your power problems with you . . . see why "more power" will mean "more work at less cost" on your job.

Cummins Engine Company, Inc., Columbus, Indiana

Model NHI-600 is a six-cylinder industrial engine, rated up to 200 hp (max.) at 2100 rpm. Model NHBIS-600 is a six-cylinder, supercharged industrial diesel, rated up to 275 hp (max.) at 2100 rpm.



RUSSEL-HIPWELL ENGINES, LTD.
Owen Sound, Ontario
Halifax, Nova Scotia · Montreal, Quebec · Port Arthur, Ontario

Brooks Equipment, Ltd., Winnipeg, Man. • Wilkinson & McClean, Ltd., Edmonton, Calgary and Lethbridge, Alta. • Cummins Diesel Sales of B. C., Ltd., Vancouver, B. C.

SAME AGAIN, PLEASE

ANOTHER GAS PLANT UNDER WAY FOR VANCOUVER

The above advertisement appeared in the September, 1947, issue of the Canadian Gas Journal.

To double the daily capacity of the Carburetted Water Gas Plant delivered by Inglis to the British Columbia Electric Railway Co. Ltd., in 1947, building of a duplicate unit is now proceeding. The present unit is meeting — and exceeding, all guarantees given. The complete Plant will supply a total of 9 million cubic feet of gas per day.

Inglis CANADA

Inglis builds plants of this type under license from The Power Gas Corporation, of Stockton-on-Tees, England, also auxiliary equipment, such as purifiers, generators, boosters, etc. Municipalities and industries considering gas making equipment of any type are invited to discuss their plans from the earliest stages with Inglis, with a view to developing the most efficient plant for their needs.

JOHN INGLIS CO. LIMITED GENERAL ENGINEERING DIVISION TORONTO, CANADA
Engineers · Manufacturers
BRANCH SALES OFFICES: · MONTREAL · WINNIPEG · VANCOUVER

Do You Know That . . .

Since the end of the war,

NEW VEHICLES

We have purchased **230 new gasoline buses and trolley coaches.** If these vehicles were placed end to end, they would cover a distance of 1½ miles.

We have also purchased **17 general utility trucks** for construction work during the summer months and snow removal during the winter.

TWO-WAY RADIO COMMUNICATION

A **radio transmitter** has been built and a two-way radio system has been installed in **17 emergency vehicles.** This equipment greatly facilitates the control of service, especially in cases of interruptions resulting from fires, accidents, parades, mechanical failures, etc.

NEW BUILDINGS

Another garage for sheltering and servicing **120 buses** has been completed. A **new repair shop** for the overhaul and general maintenance of a fleet of **600 buses** is now being erected.

TRACKS

Construction and improvements have been carried out on 20½ miles of tracks.

N.B.—During 1947, our vehicles travelled 18,737,783 more miles than in 1939 and 3,377,206 more than in 1945.

MONTREAL TRAMWAYS COMPANY

48-2

Maritimes Boosting Power Output To Meet Increasing Postwar Demand

Consumption of electric power in the Maritime Provinces has shown a rising trend since the war. In 1947, the largest increase in consumption occurred in Prince Edward Island, which shows a jump of 20.8% in the year to bring its consumption up 35.4% above the 1944 level. Consumption in Nova Scotia increased 1.3% in 1947, to 10.5% above its 1944 level. In New Brunswick, consumption of electricity just held its own in 1947, but was 15.1% higher than in 1944.

While no new additions to hydro-electric capacity were made in the Maritime Provinces during 1947, two new developments were under active construction and scheduled for completion in 1948. The Nova Scotia Power Commission is making progress on its Dickie Brook development which will operate initially at 3,700 hp but ultimately will have three units of 1,600 hp each. The Commission is also building a new steam plant at Pictou with a capacity of 10,000 kw. Nova Scotia Light & Power Co. is proceeding with a development on Methals Brook, one unit of 4,600 hp. Canada Electric Co. is adding 1,500 kw capacity to its steam plant at Maccan, Nova Scotia.

Canada Electric

Canada Electric Co., a wholly owned subsidiary of Eastern Utilities, supplies electric light and power to a long-established industrial area in northwestern Nova Scotia and to a section of southeastern New Brunswick.

Besides retail distribution, company also supplies electrical energy to the mines of Dominion Coal Co. at Springhill and other mining companies in the Cumberland bituminous coal fields.

An addition of 20,000 hp is being made to the generating capacity of its Maccan Plant and a 138,000-volt transmission line, of approximately 60 miles, is being built for an interchange of power with Nova Scotia Power Commission.

In the latter part of 1947 the company sold a new issue of $500,000 4% general mortgage sinking fund bonds, series A. The issue was offered to reimburse the company for capital expenditures made and to supply additional working capital for its authorized construction program. Sale of the 4% general mortgage bonds represented the second offering made by the company in 1947. In February, $1.5 million 3½% first mortgage sinking fund bonds, series A, were sold.

According to a prospectus covering the latter 1947 issue, the average annual earnings of Canada Electric for the 11 years and eight months ended Aug. 31, 1947, before depreciation, interest, income and excess profit tax and amortization of bond discount and expenses, were $204,381. The parent company, Eastern Utilities, carried its investment in Canada Electric Co. at $900,000 at Dec. 31, 1946.

East. Elec. & Dev.

Eastern Electric and Development Co. is a wholly owned subsidiary of Eastern Utilities which carries its investment at $165,000.

The company owns and operates the electric transmission and distribution system serving 929 connections in a population of approximately 4,000 located in the Sackville district of New Brunswick. Since 1927, energy has been purchased at the Nova Scotia border from Canada Electric Co., an affiliate, and transmitted to Sackville and other communities for distribution. It also resells to the New Brunswick Power Commission at a point north of Sackville which is then transmitted 38 miles over the Power Commission's own line for distribution at Cape Tormentine and several intervening communities. The sale of electrical energy has increased considerably in recent years.

Eastern Utilities

Eastern Utilities Ltd. operates as a holding company and through its subsidiary supplies electricity directly to Moncton, Amherst, Sackville and districts in the Cumberland Coal Basin; also power to Dominion Coal Co. and to other public utility systems for retail distribution. Natural gas is supplied to Moncton and Hillsboro and transportation to the Cumberland fields.

The company has three wholly owned subsidiaries: Canada Electric Co.; Eastern Electric and Development Co.; and Joggins Coal Co. The controlled companies are: Moncton Electricity and Gas Co. and Maritime Coal, Railway and Power Co. The public utility subsidiary companies have been actively engaged on plans for expansion and substantial orders have been placed for materials.

Income in 1946 totalled $164,000 and comprised dividends of $88,101 from Moncton Electricity & Gas Co., $45,000 from Canada Electric Co., $15,000 from Joggins Coal Co., $9,900 from Eastern Electric & Development Co. and $5,999 in dividends from other sources. Net 1946 income was $122,443 as against $114,317 in 1945.

Eastern L & P

Eastern Light & Power Co. supplies electricity in Sydney, N.S., and surrounding districts and wholesales power to the town of Dominion. Energy is purchased through 12,000 k.v.a. regulator capacity. It operates substations with a capacity of 9,850 k.v.a. and owns 500 k.w. steam standby station at Sydney.

The sole subsidiary, Dominion Utilities Co., distributes electricity and water in New Waterford, N.S., and in the Scotstown district.

Capital stock of the company consists of $1,100,000 authorized common stock of $10 par value and $600,000 is paid up. Funded debt is an authorized $1.5 million 4% first mortgage and collateral trust sinking fund bonds, series A, due Jan. 2, 1965. A total of $1 million was issued and $961,000 was outstanding at Dec. 31, 1946.

Maritime Electric

Maritime Electric Co. supplies light and power to Charlottetown, Montague and 25 other communities in Prince Edward Island; also Fredericton, St. Stephen, Milltown, St. Andrews, Devon and seven other New Brunswick communities. Power for the Prince Edward Island district is supplied from a 3,000-kw steam plant and the New Brunswick area is supplied with power purchased from the New Brunswick Power Commission.

The company is reported to have discontinued the policy of submitting financial and operating statements for publication. Net 1945 earnings (latest figures provided) were $202,125 ($222,431 in 1944). Net 1945 profit represented earnings per share on the common stock of $11.78. Working capital was $133,798 at Jan. 1, 1946. Funded debt comprises $881,000 outstanding in 4½% series first mortgage bonds, due Oct. 1, 1956, and $349,000 outstanding 5½% series general mortgage sinking fund bonds, due Oct. 1, 1956.

Moncton Elec. & Gas

Moncton Electricity & Gas Co. supplies electric service to a population of some 26,000 in the Moncton and suburban territories; also natural gas to approximately 21,600 in Moncton and Hillsboro. Electric power is purchased through the city of Moncton from the New Brunswick Electric Power Commission at approximate cost to the city. Natural gas is obtained from Stoney Creek Gas, about 11 miles from Moncton.

The company is a subsidiary of Eastern Utilities Ltd., which owns 13,052 shares, being all but 37 of its entire issue. Moncton Electric, in turn, owns 13,052 out of 13,089 issued shares of the Maritime Coal, Railway & Power Co. with voting control of that organization held by Eastern Utilities.

Financial and operating statements are not submitted for publication on Moncton Electricity & Gas Co. However, it paid dividends totalling $88,101 in 1946 to Eastern Utilities.

N. B. Power Co.

New Brunswick Power Co. formerly operated the transportation, electric and gas utilities in Saint John, N.B. and vicinity, but bulk of assets have been expropriated by the New Brunswick Electric Power Commission. In December, 1947, the New Brunswick government granted authority to the Commission to expropriate this company's generating and distributing systems. However, the company still retains the transportation and gas systems.

In 1944 New Brunswick Power Co. generated 36,683,900 kwh and the total output, including power purchased, was 37,046,130 kwh. The gas plant has a daily output capacity of 150,000 cubic feet with 47,645,000 cubic feet produced in 1944.

The transportation system comprises some 20.2 miles of track in Saint John and district and at the end of 1944 the company owned 33 street cars, snow-sweepers, welding and work cars. However, in 1945 company entered into an agreement with the City of Saint John to provide the area with bus service under a six-year contract. Under the contract the company is gradually to remove street car tracks from city streets, substituting complete bus service.

In view of the New Brunswick Electric Power Commission expropriating the bulk of company assets, it has been decided that no further financial statements will be made public.

N.S. Light & Power

Nova Scotia Light & Power Co. is the largest utility operator in Nova Scotia, providing gas, power and tramway services in the area around Halifax, and through subsidiaries, supplies electric service to approximately one half the consumers of electricity in the province.

The company owns a steam power plant which has a capacity of 8,310 hp; a modern high pressure steam plant of 12,500 kw; a gas plant with a daily capacity of approximately 1.2 million cubic feet; an electric railway service over 24 miles in length and utilizing about 82 passenger cars; and also extensive property on the Gaspereaux River, containing power sites estimated at approximately 12,000 hp. The company also purchases power from the Nova Scotia Power Commission. The Avon River Power Co., a wholly-owned subsidiary, has hydro-electric development with an installed capacity of 25,070 hp. An additional 4,600 hp is under construction on Methals Brook, N.S., and is expected to be completed before the end of 1948.

Consolidated gross earnings in 1946 (latest figures available) totaled $5,511,686 as against $5,815,655 in 1945. The falling off of tramway travel in Halifax was reflected in the decrease in gross income. However, the reduction in earnings was more than offset by a drop in income taxes and reduced total depreciation charges enabled 1946 profits to finish at $560,144, up from $335,125 in 1945.

Reclassification of 20,000 unissued 6% preference shares into 20,000 new 4% $100 par preference shares was approved Oct. 7, 1947. The new shares were first offered to 6% preference shareholders on the basis of one share for each 12 shares held, at $100 a share. Balance of shares not taken up was sold publicly at par. Proceeds were used for capital additions and to retire a bank loan.

Seaboard Power

Seaboard Power Co., a wholly-owned subsidiary of Dominion Steel & Coal Corp., supplies electric power to the works of the parent company and other mines of its associated concerns. The system is interconnected with the power station at the Sydney Steel Works and those of the Dominion Coal Co., and the Nova Scotia Steel & Coal Co. Power is also supplied to the Eastern Light & Power Co. and the town of Glace Bay.

Seaboard's station is equipped with three generators with approximate capacity of 28,800 kw.

Telegraph and Radio

Can. Marconi

Canadian Marconi Co. is engaged in the manufacture of radio equipment for every type of service, as well as furnishing equipment on a rental basis to commercial operators. The company also operates radio telephone and telegraph communication systems. The types of service for which equipment is supplied include police, aircraft, forestry, broadcasting stations, point-to-point communication and many other fields.

During 1947 the company's manufacturing operations continued to be affected by irregular and short supply of certain materials and components, particularly cabinets for broadcast receivers. In spite of the difficulties, sales of manufactured goods were double those of 1946. During the year the company was able to make available to the trade a number of new products, not formerly handled, particularly in the field of merchandise sales. The company completed the construction of a new and thoroughly modern transmitting installation for broadcasting station CFCF, as well as constructing a new Frequency Modulation broadcasting station which will be operated in conjunction with the station CFCF.

The company installed 100 new radio telephone and radio telegraph equipment in marine communications and a similar number of former installations were modernized. The company installed equipment in a substantial number of vehicles and many others are now being fitted. The proposal of the Canadian Government to nationalize the overseas telecommunioation facilities of Canadian Marconi has not yet been implemented and no negotiations to that end have been initiated. The company's first micro-wave relay communication circuit has been under test for some months, and results suggest that this new method of commun-

(Continued on page 28)

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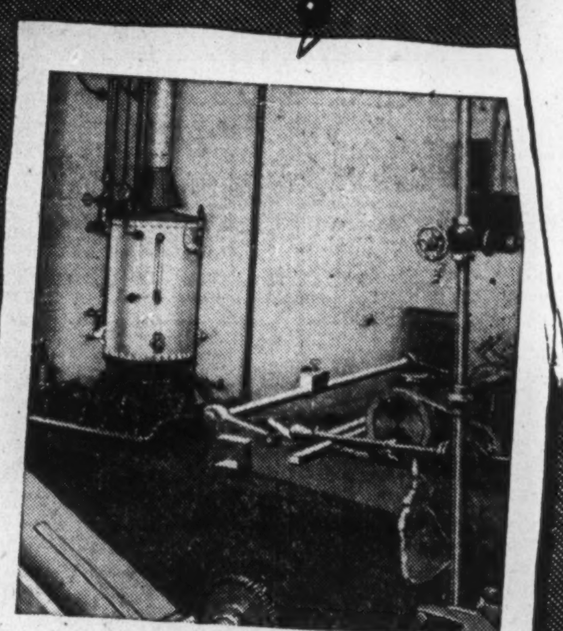
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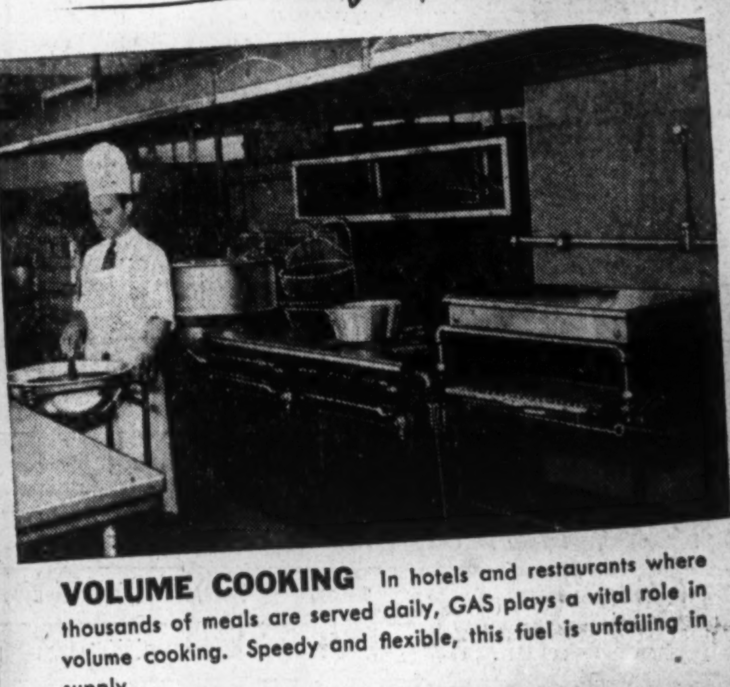
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Unless otherwise stated, the year taken is the calendar year; gross income comprises earnings from operations plus other income, if any; net earnings, the amount available for depreciation, bond interest, write-offs and taxes, after all expenses; total income taxes, the gross amount of income taxes including refundable portion, if any; net profit is shown on a "retained" basis after total income taxes as defined; surplus for year is the balance of "retained" net profit after dividends provided for the year; total refundable portion is the accumulated total to the end of the latest fiscal year shown.

POWER	Year	Funded Debt $	Gross Income $	Net Earnings $	Deprec. $	Times Int. Earned after Deprec. No	Total Income Taxes $	Net Profit After Total Taxes $	Earnings per Share Preferred $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	DIRECTORS
B. C. ELECTRIC	1947	56,522,624	32,249,083	9,157,529	3,017,928	4.27	1,833,000	2,458,551	20.49	*1.02	‡	....	356,247	701,983	1,284,500	A. E. Grauer pres.; E. W. Arnott, T. Ingledow, T. M. Moran, vice-pres.'s; Vancouver: W. C. Mainwaring vice-pres., Victoria; Lorn McLean, vice-pres. & treas.; J. A. Brice, sec.; G. T. Cunningham, W. G. Murrin, J. L. Trumbull; Vancouver; R. H. B. Ker, N. A. Yarrow, Victoria; S. G. Dobson, Severe Godin, A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, Montreal; J. H. Gundy Toronto; E. R. Crammond, A. P. Holt, London, Eng.
	*1946	46,522,624	30,970,121	10,028,947	•3,112,925	3.84	2,485,451	2,252,868	†45.06	*0.98	6.00	....	892,868	3,449,845	1,252,000	
†6% pref.; redeemed May 12, 1947. ‡Paid $2.55 on new 4% and $2.20 on old 6% pref. *Classes A and B. *Pro forma balance sheet after giving effect to refinancing completed Jan. 2, 1947. •Incl. $89,265 amort. of develop. exp.																
CALGARY POWER LTD.	•1947	11,000,000	2,347,623	1,429,457	456,084	4.54	315,748	443,380	*8.87	†0.96	*‡2.17	nil	335,162	‡513,994	51,859	I. W. Killam, chm.; G. A. Gaherty, pres.; F. C. Clarke, treas.; H. B. Sherman, vice-pres. and gen. mgr.; L. G. Proctor, sec.; S. B. Hammond, H. J. Symington, Denis Stairs, G. H. Thompson; Montreal.
	*1946	9,873,500	3,353,609	2,448,028	671,757	3.44	565,793	670,196	11.36	9.03	6.00	nil	316,196	453,943	51,859	
•General statement of present co. only, for period June 17 to Dec. 31, 1947. *Cons. statement of predecessor co. *New 4% pref. †New n.p.v. com. ‡Dividend on 6% pref. of predecessor co. were paid regularly to redemption June 16, 1947.																
CANADA NORTHERN PWR. CORP.	1947	....	2,089,820	†1,243,538	204,000	...	353,030	*646,344	*‡11.78	*0.61	‡7.00	0.60	5,459	*6,768,772	4,227	A. J. Nesbitt, pres., Montreal; B. V. Harrison, vice-pres. & gen. man., Noranda, P.Q.; L. C. Haskell, sec.; T. Irving, treas., P. A. Thomson, A. H. Paradis, Joseph Simard, J. B. Woodyatt; Montreal; Dan. McLachlin, Arnprior, Ont.
	1946	....	2,010,915	†1,373,786	204,000	...	499,480	*658,493	*11.97	*0.68	7.00	0.60	33,493	971,307	2,910	
*After subsidiary dividends. †After bad debts res. and other interest. ‡Redeemed Jan. 15, 1948. *Of which $6,037,240 used for redemption of 7% pref. Jan. 15, 1948.																
CANADIAN LIGHT & POWER CO.	1947	2,558,700	483,801	256,376	112,000	1.12	5,278	10,338	....	0.31	....	nil	10,338	890,325	2,845	James Wilson, pres.; J. S. Norris, vice-pres.; N. P. Woods, treas.; H. G. Budden, sec.; John Morse, gen. mgr.; G. H. Montgomery R. J. Beaumont, J. B. Challies, Severe Godin, J. A. Fuller; Montreal.
	1946	2,591,700	477,075	274,981	112,000	1.25	12,449	20,272	....	0.61	....	nil	20,272	807,034	2,816	
CANADIAN UTILITIES	1947	2,500,000	1,197,008	585,384	111,615	5.80	135,818	250,008	....	....	....	....	2,208	477,102	72,365	E. W. Bowness, chm., Calgary; H. R. Milner, pres., Edmonton; B. M. Hill, vice-pres. & gen. mgr.; F. A. Smith, compt.; F. A. Brownie, exec. asst. to pres.; D. K. Yorath, sec.; T. A. Montgomery, treas. & asst. sec.; J. G. MacGregor, Calgary; A. D. McNab, New York; G. E. Kelly.
	1946	3,300,000	2,036,017	914,663	200,557	5.05	260,854	299,836	....	....	....	....	60,622	523,352	72,365	
CANADIAN WEST. NATURAL GAS	1947	....	3,775,817	953,976	161,588	...	303,798	476,104	*3.17	4.26	†	3.00	100,694	1,047,618	74,364	E. W. Bowness chm., Calgary; H. R. Milner, pres., Edmonton; P. D. Mellon, vice-pres.; F. A. Brownie, gen. mgr. and exec. asst. to pres.; F. A. Smith, compt.; D. K. Yorath, sec.; H. M. Hunter, gen. supt.; W. L. McPhee, treas.; H. E. Timmins; Calgary; A. G. Baalim, Lethbridge; A. D. McNab, New York.
	1946	....	3,208,115	1,165,048	151,768	...	450,991	544,708	†21.72	4.93	*6.00	3.00	84,216	708,661	67,609	
*New 4% pref. †6% pref. redeemed June 18, 1947. ‡Paid 40c. on new 4% pref. and $3 on old 6% pref.																
EAST KOOTENAY POWER	*1947	....	774,727	408,886	135,000	...	25,000	27,056	2.71	d1.43	nil	nil	27,056	‡3,416,101	......	A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; L. C. Haskell, sec.; Thomas Irving, treas., Montreal; G. E. Elkington, gen. mgr. Fernie, B.C.; E. R. Parkins, P. A. Thomson, Montreal.
	*1946	†1,824,000	762,862	381,435	135,000	1.05	......	1,197	0.12	d2.29	nil	nil	1,197	‡1,413,662	......	
*Year end. Mar. 31. †Redeemed Oct. 1, 1946.																
EASTERN UTILITIES	1946	812,000	....	†161,714	....	4.12	......	122,443	4.45	4.29	0.55	nil	107,318	19,786	......	Hon. F. B. McCurdy, pres.; J. H. Winfield, vice-pres.; Halifax; A. Knox, sec.; M. M. King, treas.; W. E. Bentley; Charlottetown; J. W. Godfrey, W. A. Winfield; Halifax.
	1945	916,000	....	†157,519	....	3.65	......	114,317	4.16	3.97	0.55	nil	99,192	20,336	......	
†After deprec. and taxes.																
GATINEAU POWER CO.	1947	69,520,834	12,306,253	9,517,673	1,200,000	3.74	2,578,211	3,512,547	*22.38	1.63	‡	1.25	632,147	352,560	167,082	G. G. Gale, pres., Ottawa; I. L. Moore, vice-pres., Boston, Mass.; C. N. Simpson, vice-pres.; A. C. Brittain, treas.; J. R. Binks sec.; Ottawa; V. M. Drury, Montreal; Lt.-Col. W. F. Hadley, Hull, P.Q.; L. T. des Rivieres, Quebec, P.Q.
	1946	70,928,889	11,149,122	8,944,864	1,200,000	2.85	2,059,878	2,969,947	*18.92	1.30	‡	1.00	505,167	1,294,980	163,463	
*5% & 5½% pref. ‡Divds. paid regularly.																
GREAT LAKES POWER	1947	7,000,000	1,604,025	1,180,908	256,722	3.35	277,172	349,400	†	9.82	†7.29	25.00	•455,275	120,883	1,019	J. A. McPhail, pres.; F. E. Hollingsworth, vice-pres.; B. C. Gartshore, oper. mgr.; J. R. Andrews, treas.; Ethel Hugill, sec.; A. Sinclair, J. L. Lang, K. G. Ross; Sault Ste. Marie, Ont.; W. C. Freeman, Martin Lindsay, R. D. Stevenson, Chicago; C. K. Wilmers, New York.
	1946	5,827,500	1,340,580	960,260	251,745	2.68	164,121	262,775	35.04	7.01	7.00	18.33	•339,725	304,311	1,019	
†Redeemed Jan. 15, 1948.																
LOWER ST. LAWRENCE POWER	1947	3,689,000	836,784	450,293	121,911	2.27	77,882	103,423	12.93	2.77	nil	nil	103,423	258,245	3,601	Hon. J. A. Brillant, pres.; T. A. Bernier, vice-pres and chief engr.; Norman Gendreau, vice-pres. and treas.; P. E. Gagnon, sec.; Jean Duchesneau, Miss A. Dube, J. A. Labrie; Rimouski. Que.
	1946	2,762,000	725,163	366,088	94,769	2.68	76,014	93,452	11.68	2.27	nil	nil	93,452	2,487	3,601	
MACLAREN-QUEBEC POWER	*1947	18,728,500	3,134,617	2,722,427	†608,892	2.52	754,000	651,234	....	....	....	....	....	....	....	A. R. Maclaren, pres., Buckingham, P.Q.; A. B. Maclaren vice-pres., Rockcliffe, Ont.; J. A. Bryant, sec.; J. T. Black, treas, Buckingham, P.Q.; C. H. Maclaren, Ottawa, Ont.
	*1946	19,482,500	2,421,855	2,072,499	†607,846	2.11	318,000	359,740	....	....	....	....	....	....	....	
*Year ended Nov. 30. †Incl. amort.																
MEXICAN LIGHT & POWER	1946	32,401,735	18,321,074	4,684,862	1,813,000	2.98	......	395,503	†6.59	d1.41	nil	nil	395,503	4,733,477	....	Henri Speciael, chm., New York; G. R. G. Conway, pres. Mexico City, Mex.; Paul Van Zeeland, vice-pres., New York; G. Maryssael, vice-pres. & gen. mgr., Mexico City; E. A. Graydon, sec.; S. G. Crowell, C. D. Magee, Toronto; W. D. Dawes, A. P. Holt, London, Eng.; D. N. Heinman, J. D. Duncan H. E. Hooker, New York; F. de A. Cambo y Batlle, Buenos Aires, Argentina; Baron Raoul Richard, Brussels, Belgium; W. Menschaert, Barcelona, Spain.
	1945	33,370,829	15,693,074	4,621,094	1,782,000	2.71	......	589,196	†9.82	d0.33	nil	nil	589,196	4,389,077	....	
†First pref. only.																
NANAIMO-DUNCAN UTILITIES	*•1947	‡19,206	32,028	17,307	4,873	...	3,500	7,725	....	d0.10	1.89½	0.50	•45,054	71,502	42,000	Brig.-Gen. J. A. Clark, pres.; George Kidd vice-pres.; R. H. Tupper, sec.; J. Fyfe-Smith, Gordon Farrell, R. C. Buchanan; Vancouver; Lamont Ross, Nanaimo, B. C.
	*•1946	‡21,890	99,435	61,427	10,265	...	18,000	25,220	3.15	d0.01	3.25	0.75	•57,030	122,904	42,000	
*Year ended June 30. •Electrical properties expropriated July, 1945; thereafter all revenue controlled by British Columbia Power Commission; final purchase price not settled; co.'s bonds redeemed Oct. 1, 1945, and pref. stock Jan. 2, 1947, from purchase price advances which totalled $1,105,000 to June 30, 1947; 1946 figures show earnings from operations of electric and water systems for month of July only; from water system and interest on investments for balance of year. ‡City of Duncan s. f. debentures.																
NOVA SCOTIA L., H. & POWER	1946	7,518,000	5,511,686	1,712,600	767,700	3.57	......	856,363	27.01	•14.79	6.00	6.00	303,425	‡37,677	762,833	Lt.-Col. J. C. MacKeen, pres.; J. McG. Stewart, vice-pres.; J. B. Hayes, mgr.; C. J. Hayes, sec.; A. W. Wentzell, treas.; Hon. W. H. Covert W. N. Wickwire, G. MacG. Mitchell, Dr. M. J. Carney, H. P. Briggs, A. H. Whitman; Halifax, N.S.; Denis Stairs; Montreal, P.Q.
	1945	7,229,500	5,815,655	1,623,317	949,750	2.32	......	336,843	*21.04	*10.58	6.00	5.75	•7,464	‡285,382	761,653	
*Including refundable EPT. •Equivalent to $2.46 per new share after 6-for-1 split in 1947.																
OTTAWA LIGHT, HEAT & POWER	1947	3,727,500	•1,254,892	1,053,883	362,900	4.61	227,500	313,500	18.44	1.63	5.00	0.60	144,500	1,185,153	34,350	F. E. Bronson, pres, Ottawa; H. W. Soper, vice-pres., Montreal; W. H. Munro, gen. mgr.; F. W. Fee, sec.; H. I. Anscombe, treas.; A. T. Lewis, Redmond Quain, K. A. Greene, C. H. LaBarge G. S. Murray; Ottawa; Hugh Mackay, Montreal.
	1946	3,777,500	•1,226,129	1,062,905	353,300	4.67	259,490	298,204	17.54	1.52	5.00	0.60	129,204	941,378	35,813	
•After cost of mfg., admin., etc.																
QUEBEC POWER CO.	1947	16,963,500	5,347,222	2,103,335	555,000	3.13	390,107	667,043	....	1.21	....	1.00	113,845	1,577,872	19,989	James Wilson, pres.; R. J. Beaumont, J. A. Fuller, vice-pres's.; Montreal; J. N. Sicard, gen. mgr., Quebec, P.Q.; H. G. Budden, sec.; N. P. Woods, treas.; M. T. Bancroft compt.; Hon. Alphonse Raymond, P. S. Gregory, M. L. Hersey, J. B. Challies, Montreal; A. C. Picard, Gaston Pratte, Yves Montreuil, Quebec, P. Q.; J. A. Trudel, Three Rivers, P.Q.
	1946	13,614,500	4,871,665	2,021,728	550,000	3.19	367,766	642,614	....	1.16	....	1.00	89,416	1,968,821	19,989	
SAGUENAY POWER CO.	1947	26,800,000	7,103,070	4,254,271	710,262	4.49	1,082,632	1,497,305	31.02	6.13	4.25	4.00	448,262	588,331	141,734	R. E. Powell, pres. Montreal; McNeely DuBose, vice-pres., Arvida, P.Q.; Paul LaRoque, sec.; Paul Leman, treas.; James Wilson, J. B. Challies D. T. Bartholmew, A. W. Whitaker, Jr., J. A. Prud'homme; Montreal; J. H. Price, Quebec, P.Q.; J. A. Dulles, Westport, Conn.
	1946	27,700,000	7,362,007	4,135,148	735,517	3.43	926,773	1,185,582	†23.71	4.63	4.25	4.00	133,082	847,028	141,734	
†4¼% pref.; 5½% pref. redeemed Jan. 2, 1946.																
ST. MAURICE POWER	1946	13,500,000	1,695,787	1,125,602	305,000	1.45	108,605	147,334	....	....	nil	nil	....	307,652	....	James Wilson, pres., Montreal; F. G. Coburn 1st. vice-pres., New York; J. B. Challies, vice-pres. & sec.; N. P. Woods, treas.; M. Balls, G. A. Morris, John Morse; Montreal; W. B. Skelton, Lewiston, Me.; L. F. Whittemore, Pembroke, N.H.
	1945	14,110,000	1,610,928	1,118,608	307,000	1.37	96,754	120,396	....	....	nil	nil	....	840,653	....	
SHAWINIGAN WATER & POWER	1947	87,802,500	24,722,927	12,083,353	3,250,000	3.11	2,043,000	3,948,308	9.87	1.63	1.00	1.20	934,408	21,233,080	1,532,774	James Wilson, pres. & chm. exec. comm.; R. J. Beaumont, J. A. Fuller, vice-pres's.; J. B. Challies vice-pres. & exec. engr.; P. S. Gregory, vice-pres. i/c power sales; W. F. Mainguy, vice-pres. i/c distribution; John Morse, vice-pres. i/c operation; N. P. Woods, treas.; H. G. Budden, sec.; C. M. Hemming, asst. treas. & compt.; N. J. Dawes*, S. G. Dobson*, J. A. Eccles, Beaudry Leman* P. F. Sise*, Arthur Surveyer, W. B. Scott, H. G. Welsford; Montreal; Lt.-Col. L. J. A. Amyot, Quebec, P. Q. *Exec. comm.
	1946	87,802,500	22,746,216	11,149,786	3,150,000	2.70	1,849,000	3,192,126	....	1.47	....	1.05	904,964	8,998,023	1,532,774	
SOUTHERN CANADA POWER	*1947	6,106,000	4,356,113	2,338,247	471,810	9.63	796,310	1,002,627	14.14	1.44	6.00	1.00	177,293	†2,764,618	215,870	J. B. Woodyatt, pres. and gen. mgr.; J. M. Robertson, J. S. H. Wurtele, P. T. Davies, vice-pres's.; L. C. Haskell, sec; Thos Irving treas.; A. J. Nesbitt, P. A. Thomson, J. C. H. Dussault; Montreal; R. R. Moodie, Hamilton, Ont.; J. O. Montplaisir, Drummondville, P.Q.; W. H. Miner, Granby, P.Q.; Georges St. Germain, St. Johns, P.Q.; Hon. Jacob Nicol, Sherbrooke, P.Q.
	*1946	6,106,000	3,779,191	2,168,642	413,920	6.75	685,305	765,612	*11.05	*0.89	6.00	0.80	20,278	†3,752,166	215,870	
*Year ended Sept. 30. †Investments taken at market value in computing current assets. *Including refundable EPT.																
WEST KOOTENAY POWER	1947	....	2,043,194	1,535,054	201,612	...	473,361	859,582	171.92	13.49	7.00	‡20.00	•6,536,618	5,061,392	38,544	R. E. Stavert, chm., Montreal; R. W. Diamond pres.; A. L. Johannson, vice-pres.; R. G. Anderson, gen. mgr.; Trail, B.C.; L. C. Reid, sec.-treas.; Montreal; W. Evans, asst. sec.-treas., Trail, B.C.; G. F. Benson, D. C. Coleman, R. H. McMaster, Montreal; E. M. Stiles, Trail, B.C.
	1946	....	4,604,976	3,340,958	661,165	...	1,068,793	1,599,627	319.93	25.60	7.00	20.00	342,227	3,724,751	38,544	
‡In addition special dividend paid of $100.44 per sh.																
WINNIPEG ELECTRIC	1947	27,600,000	13,402,138	5,595,847	2,240,502	3.24	961,500	1,357,832	27.15	1.96	5.00	1.00	550,337	378,238	219,800	W. H. Carter pres. & gen. mgr.; C. S. Riley, vice-pres.; C. F. Lidster, treas. and compt.; S. N. Currie sec.; Edward Anderson, Isaac Pitblado, Wm. Whyte, H. E. Sellers, R. D. Guy; Winnipeg; A. J. Nesbitt, P. A. Thomson, Montreal; J. A. McPhail, Sault Ste. Marie, Ont.; F. E. Kruesi, Wilmington, Del.; D. M. McDougall, Toronto.
	1946	28,000,000	13,141,512	5,551,886	2,141,847	2.65	1,155,000	959,826	19.20	1.26	5.00	0.50	427,331	517,881	219,800	

HOLDING CO'S

HOLDING CO'S	Year	Funded Debt $	Gross Income $	Net Earnings $	Deprec. $	Times Int. Earned after Deprec. No	Total Income Taxes $	Net Profit After Total Taxes $	Earnings per Share Preferred $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	DIRECTORS
B. C. POWER CORP.	1947	56,522,624	32,249,083	9,095,583	3,017,928	4.23	1,833,000	1,980,605	†1.98	‡d0.02	†1.60	‡nil	380,605	791,638	1,284,500	A. E. Grauer, pres.; E. W. Arnott, T. Ingledow, T. M. Moran, vice-pres's.; Vancouver; W. C. Mainwaring, vice-pres., Victoria; Lorn McLean, vice-pres. & treas.; J. A. Brice, sec.; G. T. Cunningham, W. G. Trumbull, Vancouver; R. H. B. Ker, N. A. Yarrow, Victoria; S. G. Dobson, Severe Godin, A. J. Nesbitt, P. A. Thomson, J. B. Woodyatt, Montreal; J. H. Gundy, Toronto; E. R. Crammond, A. P. Holt, London, Eng.
	1946	46,522,624	30,970,121	9,994,986	*3,112,925	3.82	2,485,451	1,987,917	†1.99	‡d0.01	†1.60	‡nil	387,917	3,481,462	1,284,500	
†Class A. ‡Class B. *Incl. $89,265 amort. of develop. exp.																
FOREIGN POWER SECURITIES	*1947	1,684,000	38,955	18,564	....	0.18	......	•82,506	d1.65	d3.06	nil	nil	•82,506	....	....	A. J. Nesbitt, pres.; J. B. Woodyatt, vice-pres.; L. C. Haskell, sec.; Thomas Irving, treas.; P. A. Thomson, E. R. Parkins, G. M. Todd, Montreal; Robt. Despres, Paris, France.
	*1946	1,684,500	73,155	54,693	....	0.54	......	•46,377	d0.93	d2.77	nil	nil	•46,397	....	....	
*Year ended Oct. 31.																
INTERNATIONAL HYDRO-ELEC.	•1946	†26,568,000	1,601,904	1,435,160	....	0.90	......	•158,920	‡	‡	‡	‡	•158,920	†‡27,747,884	....	I. L. Moore, pres. Boston, Mass.; G. G. Gale, vice-pres., Ottawa; L. J. Catheron, sec. & treas.; Hon. J. B. Ely, H. J. Harriman, C. S. Herrmann, Boston, Mass.; I. L. Letts, Lt.-Col. W. F. Hadley, Hull, P.Q.; P. H. Todd, Kalamazoo, Mich.; J. D. Anthony, B. D. Barker, A. S. Dewing D. G. Harris, Howell Van Auken. Trustee—B. A. Brickley.
	•1945	†26,568,000	1,546,617	1,354,817	....	0.85	......	•239,264	‡	‡	‡	‡	•239,264	†‡26,888,982	....	
•General statement. †6% debentures matured Apr. 1 1944; included in current liabs. by co. ‡None earned or paid on capital stock.																
INTERNATIONAL POWER	‡1946	6,924,000	6,289,868	1,839,063	794,970	7.52	......	1,319,327	†16.49	7.89	†*3.00	nil	1,032,527	4,454,366	....	I. W. Killam, pres.; F. C. Clarke, sec.-treas.; R. D. Bell, A. F. Culver, H. J. Symington; Montreal; J. H. Price, Quebec, P.Q.; G. MacG. Mitchell, Halifax; Frederick Krug, Westmount, P.Q.
	‡1945	6,788,932	6,182,604	2,046,486	761,351	7.73	......	1,768,802	‡22.11	9.42	‡*17.00	nil	408,802	6,964,855	....	
‡Consolidated statement. †Old 6% $50 par pref. only. ‡Old 7% $100 par pref. only. *In addition 58½c. per sh. pd. on old 7% pref. *Incl. arrears.																
INTERNATIONAL UTILITIES	1947	9,600,000	‡7,649,864	2,996,909	440,174	...	819,557	1,143,188	....	1.45	....	0.90	436,310	1,852,585	296,632	S. B. Hopps, chm. & pres.; A. D. McNab, exec. vice-pres.; S. F. Raymond, vice-pres.; H. Williams, Jr., vice-pres. & treas.; E. M. Butler, sec. & asst. treas.; L. M. Birrell, Hamilton Pell, Chas. Stratton, T. S. Watson, E. L. White; New York; J. A. Lipscomb, Philadelphia; W. E. Warner, Media, Pa.; F. B. Wilcox, Providence, R.I.; H. R. Milner, Edmonton, Alta; Howard Butcher, III, F. W. Clarke, Jr.
	1946	10,800,000	7,479,106	3,302,923	495,650	...	1,088,029	1,006,495	....	1.28	....	†	397,730	2,425,638	289,877	
†Paid 60c. per sh. on new stock and 37½c. per sh. on old.																
POWER CORPORATION	*1947	7,978,500	1,811,043	1,587,478	....	4.42	151,000	1,061,455	†21.23	1.03	†6.00	0.50	238,273	1,839,447	....	A. J. Nesbitt, pres.; P. A. Thomson, vice-pres.; J. B. Woodyatt, vice-pres. & gen. mgr.; L. C. Haskell, sec.; Thos. Irving, treas.; J. M. Robertson J. A. Raymond, John Irwin, Montreal; R. R. Moodie, Hamilton, Ont.
	*1946	7,997,500	1,727,012	1,511,276	....	3.45	168,000	884,200	†17.68	0.64	†6.00	0.30	150,290	207,689	....	
*Year ended June 30. †1st pref.																
UNITED SECURITIES	*1948	3,351,500	71,230	68,306	....	0.68	......	•32,321	....	d0.63	....	nil	•32,321	....	....	James Wilson, pres.; G. C. McDonald, vice-pres.; H. G. Budden, sec.; N. P. Woods, treas.; J. A. Fuller, Bernard Lacasse, L. E. Potvin, J. A. Savoie, W. B. Scott; Montreal, Que.
	*1947	3,351,500	71,851	69,907	....	0.69	......	•30,858	....	d0.60	....	nil	•30,858	....	....	
*Year ended Mar. 31.																

GAS AND HEATING

GAS AND HEATING	Year	Funded Debt $	Gross Income $	Net Earnings $	Deprec. $	Times Int. Earned after Deprec. No	Total Income Taxes $	Net Profit After Total Taxes $	Earnings per Share Preferred $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	DIRECTORS
CONSUMERS' GAS CO.	*1947	....	10,076,280	....	....	...	......	2,040,852	....	7.19	....	8.00	876,436	2,967,229	....	A. L. Bishop, pres.; E. J. Tucker, vice-pres & gen. mgr.; H. G. Smith, sec.; F. S. Corrigan, M. R. Gooderham, *V. R. Smith, J. G. Parker, J. A. Northey, W. C. Laidlaw, R. R. Corson, The Mayor of Toronto; Toronto. *Deceased.
	*1946	....	9,297,522	....	....	...	......	1,855,217	....	8.09	....	8.00	690,801	3,873,624	....	
*Year ended Sept. 30.																
NORTHWESTERN UTILITIES	1947	4,500,000	2,481,174	1,325,053	†156,970	•6.64	326,457	647,216	21.57	‡	1.00	‡	212,216	840,281	149,904	E. W. Bowness, chm., Calgary; H. R. Milner, pres.; Julian Garrett, vice-pres.; Edmonton; F. A. Brownie exec. asst. to pres.; R. C. McPherson, gen. mgr.; F. A. Smith, compt.; C. L. Metcalfe, sec.; Calgary; J. B. Wheilhan, treas.; Ronald Martland; Edmonton; F. H. Russell H. W. Francis, Calgary; A. D. McNab, New York.
	1946	4,500,000	2,176,821	1,221,947	†133,325	•5.55	341,100	537,675	*17.92	‡	§	‡	•263,925	1,249,225	149,904	
†Amort. reserve. ‡Common all owned by Inter. Utilities Corp. *New 4% pref. §$1.00 paid on new 4% pref. and $4.50 on old 6% issue. •Incl. bond disc. and exp. w/o.																
UNION GAS CO.	*1947	2,322,700	....	1,769,350	642,359	6.32	335,000	435,338	....	0.62	....	nil	438,338	2,409,553	....	S. A. Morse, chm., Chatham, Ont.; D. P. Rogers, pres.; R. L. Warren. 1st. vice-pres.; Toronto; R. L. O'Brian, vice-pres., Buffalo; Thos. Weir, gen. mgr.; F. Palin, compt. sec. and treas.; Chatham; A. F. White, Toronto; W. L. Duffield, London, Ont.; C. M. Kennedy, Buffalo; H. J. Mero, Windsor; T. Montgomery, Sarnia; W. J. K. Vanston, New York.
	*1946	2,851,300	....	1,704,664	642,718	5.17	252,500	418,807	....	0.59	....	nil	418,807	3,066,892	....	
*Year ended Mar. 31.																
UNITED FUEL INVESTMENTS	*1947	4,100,000	....	1,107,598	236,779	5.35	303,000	395,138	4.30	‡0.78	3.00	nil	125,138	1,463,595	46,500	D. P. Roger, pres., Toronto; S. B. Severson, vice-pres. Buffalo; T. P. Pinckard, gen. mgr. of subsids., Hamilton; F. Palin, compt., sec. & treas., Chatham; R. L. O'Brian, Buffalo; Thomas Weir, Chatham; H. D. Hancock, C. E. Weger, New York.
	*1946	4,240,000	....	865,763	248,055	3.62	191,500	245,854	*2.75	‡*d0.14	3.00	nil	•24,146	1,272,865	46,500	
*Year ended Mar. 31. ‡Cl. B pf. & com. *Including refundable EPT.																

COMMUNICATIONS

COMMUNICATIONS	Year	Funded Debt $	Gross Income $	Net Earnings $	Deprec. $	Times Int. Earned after Deprec. No	Total Income Taxes $	Net Profit After Total Taxes $	Earnings per Share Preferred $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	DIRECTORS
ANGLO-CANADIAN TELEPHONE	1947	....	758,112	682,876	....	...	12,842	615,340	5.59	*0.78	2.25	*0.60	88,705	431,984	....	A. F. Adams, chm., Wilmington, Del.; F. S. Spring pres., Chicago; J. A. Code, Jr., T. S. Gary, vice-pres's, Chicago; Gordon Farrell, vice-pres., Vancouver; Cameron Hough, sec. & treas., Montreal; G. L. Grawols, F. H. Woods, Jr., W. F. Benoist, Chicago; R. L. Benson, M. A. Colefax, Viscount Hinchingbrooke, Sir Alexander Roger, London, Eng.; E. E. Evans, Vancouver; Hugh Mackay, Rothesay, N. B.; J. C. Newman, A. S. Torrey, Montreal; Emmett Swanson, Ft. Wayne, Ind.; A. E. Carlson, Wilmington, Del.; T. C. Woods, Lincoln, Neb.
	1946	....	678,788	576,792	....	...	2,000	549,793	5.50	*0.66	‡	*0.60	31,278	595,312	....	
‡Paid $2.06¼ per sh. on old 5½% pref. and initial 56¼c. on new 4½% pref.; additional 37½c. accrued divd. deducted from earnings. *Class A only.																
AVALON TELEPHONE	1946	1,850,000	459,745	229,838	82,225	2.43	29,768	60,317	*2.51	2.15	♦	1.75	3,772	804,934	....	R. J. Murphy, pres. & man. dir.; S. H. Morris, sec.-treas.; G. Brownrigg, M. E. Martin, J. J. Murphy, St. John's Nfld.; E. S. Morse, J. A. Weldon, Montreal P. Q.
	1945	757,000	457,364	223,861	100,446	3.62	24,364	64,952	*2.71	2.64	♦	1.75	8,407	61,401	....	
*7% and 6% pref. ♦$1.75 pd. on 7% and $1.50 on 6% each year.																
BELL TEL. OF CANADA	1947	81,065,104	86,446,101	31,815,985	11,486,980	6.36	6,957,000	9,701,652	....	8.80	....	8.00	880,019	3,875,391	6,506,813	*C. F. Sise, chm.; *Fredk. Johnson, pres.; *P. A. McFarlane, J. H. Brace, R. V. Macaulay, vice-pres's.; S. C. Scadding, sec.; J. R. Logan, treas.; C. L. Dewar, gen. mgr.; Montreal; H. G. Young, gen. mgr., Toronto; John Cleugh, compt.; *W. F. Angus, *Hon. C. A. Dunning *J. A. Eccles, *C. E. Gravel, *P. F. Sise; Montreal; L. J. A. Amyot, Quebec; Glyn Osler, Henry Borden, Toronto; C. G. Cockshutt, Brantford; Hon. S. C. Mewburn, Hamilton; C. F. Craig, W. H. Harrison, New York. *Exec. comm.
	1946	76,684,082	77,910,028	31,940,152	10,425,072	6.43	9,567,000	8,274,370	....	*9.07	....	8.00	975,252	7,942,282	6,506,813	
*Based on average shares o/s during year.																
B. C. TELEPHONE	1947	25,800,000	10,987,514	*3,061,202	1,474,765	2.09	......	718,708	†71.87	8.64	6.00	8.00	28,708	7,070,841	285,723	Gordon Farrell, pres.; James Hamilton, vice-pres.; Vancouver; F. S. Spring, vice-pres., Chicago; J. E. Carlisle sec. and compt.; H. M. Boyce treas.; C. B. Diplock, gen. mgr.; F. A. Woodward; Vancouver; Hon. G. H. Barnard, Victoria; V. E. Chaney, T. S. Gary, Chicago; A. S. Torrey, Cameron Hough, Montreal; Emmett Swanson, Fort Wayne, Ind.
	1946	17,000,000	9,659,336	*2,834,165	1,329,462	2.09	......	716,544	†71.65	8.59	6.00	8.00	26,544	1,623,169	285,723	
*After inc. tax. †6% preference only.																
CANADIAN MARCONI	1947	....	409,191	353,423	202,827	...	......	†67,872	....	*0.015	....	nil	67,872	1,913,524	271,011	A. H. Ginman, pres.; Dr. M. L. Hersey, J. A. Boyd vice-pres's.; S. M. Finlayson, gen. mgr.; W. J. Gray, M. M. Elliott, asst. gen., mgrs.; James Fergus, sec. and treas.; W. H. Hopkins compt.; H. J. Symington, W. M. Neal, Montreal.
	1946	....	176,272	120,939	164,239	...	......	†•25,947	....	*d0.006	....	nil	•25,947	2,179,343	292,904	
†After trans. from gen. res. of $100,000 ($150,000 in 1946) of which $182,724 ($132,647 in 1946) applied to re-estab. of plant facilities for commercial business. *Based on net profit or loss as shown.																
EASTERN TWPS. TELEPHONE	1947	....	216,617	76,794	17,231	...	27,055	32,508	....	1.85	....	1.00	14,948	‡7,662	16,261	F. C. Whitaker, pres., Montreal; H. B. Fletcher, vice-pres.; C. M. Campbell, sec.-treas.; J. W. Neilson, mgr.; A. C. Skinner, Sherbrooke, P.Q.; M. G. Evans, R. A. Williams D. O. Bremner, Montreal; J. W. Quinn, Windsor, P.Q.; C. L. Jenkins, Rock Island, P.Q.; H. B. Hopkins, Bury, P.Q.; E. T. McGovern, Richmond, P.Q.
	1946	....	195,885	79,762	15,614	...	30,843	28,741	....	1.64	....	1.00	16,436	26,531	16,261	
FARMERS' TELEPHONE	1946	....	59,366	†14,187	8,564	...	......	5,623	....	1.40	....	1.25	612	‡3,050	347	J. E. Ness, pres., Howick, P. Q.; F. C. Whitaker vice-pres., Montreal; W. F. Welch, gen. mgr. & sec.-treas.; W. G. McArthur; Howick, P.Q.; R. A. Williams, W. R. Pritchard, H. F. MacCormac, Montreal; J. O. McKell; Riverfield, P.Q.; Wallace Younie Brysonville, P.Q.
	1945	....	54,197	†12,917	8,074	...	......	4,843	....	1.22	....	1.25	•127	3,388	354	
†After income taxes.																
MARITIME TEL. & TEL.	1947	6,000,000	4,218,741	1,778,906	564,386	6.85	384,962	645,769	4.31	1.24	0.70	0.80	195,283	1,630,305	473,659	*J. H. Winfield, chm., Bermuda; *W. A. Winfield, pres. and man. dir.; *E. L. MacDonald vice-pres.; J. E. Richardson, sec.; S. P. Conrod, treas.; F. H. Doyle, compt.; A. M. MacKay, gen. mgr.; *C. A. B. Bullock, *Hon. Dr. F. R. Davis, *F. D. Smith, Halifax; A. J. Campbell, Truro; Frederick Johnson, C. F. Sise, Montreal; George Killam, Yarmouth; M. R. Chappell, Sydney; J. W. MacLeod, New Glasgow. *Member executive committee.
	1946	5,000,000	4,005,470	2,026,613	498,752	8.31	675,629	662,677	4.42	1.31	0.70	0.80	218,913	1,178,160	473,659	
MONTREAL TELEGRAPH	1947	....	169,716	164,074	....	...	48,466	100,074	....	2.00	....	1.92	4,074	....	....	H. E. Rawlings, pres.; C. F. Sise, vice-pres.; H. V. Gilbert, sec. & treas.; G. F. Benson, Lt.-Col. William Leggat, Lt.-Col. A. A. Magee; all of Montreal.
	1946	....	169,534	164,450	....	...	64,000	100,450	....	2.01	....	1.92	4,450	....	....	
NEW BRUNSWICK TELEPHONE	1947	....	3,242,354	1,248,830	477,142	...	†301,521	426,673	....	0.56	....	0.50	43,878	246,001	106,286	H. P. Robinson, chm., Saint John; *Hon. G. P. Burchill, pres., South Nelson; *W. E. Golding, vice-pres.; A. J. Thompson, sec.-treas.; G. M. McKiel, compt.; H. G. Black gen. mgr.; W. C. Allison; Saint John; J. M. Robinson, Rothesay; J. L. Black, Sackville; *A. D. Ganong, St. Stephen; Hon. R. B. Hanson, Fredericton; Hon. G. B. Jones, Apohaqui; Frederic Johnson, *P. A. McFarlane, Montreal; *E. W. Mair, Woodstock; Pius Michaud, Edmundston; Harry O'Leary, Richibucto; Leonard Lockhart, Moncton. *Member exec. comm.
	1946	....	3,004,403	1,269,080	425,842	...	†358,749	444,377	....	0.69	....	0.50	124,649	617,107	104,294	
†Incl. other taxes.																
NORTHERN TELEPHONE	1947	....	965,074	197,542	95,759	...	36,658	62,418	....	0.131	....	0.10	14,619	81,673	....	T. McCamus chm.; F. L. Hutchinson, pres.; W. A. Taylor, vice-pres.; P. R. Craven, sec. & treas. & mgr.; L. L. Woods; New Liskeard, Ont.
	1946	....	896,685	236,345	88,515	...	67,416	79,830	....	0.167	....	0.10	32,031	137,293	....	
QUEBEC TELEPHONE CORP.	1946	477,000	550,377	200,470	62,291	8.19	66,405	54,907	†1.51	‡d0.50	†0.40	‡nil	40,393	‡7,039	8,053	Hon. J. A. Brillant, chm., Rimouski. P.Q.; J. Ernest Beaubien, pres., Quebec, P.Q.; T. A. Bernier, vice-pres.; P. E. Gagnon, sec.; Norman Gendreau, treas.; F. C. Doak, engr.; J. H. Brochu; Rimouski, P.Q.
	1945	400,000	453,150	117,354	55,233	3.76	21,316	24,305	†*0.68	‡*d1.36	†0.40	‡nil	9,791	11,230	8,053	
†Class A. ‡Class B. *Incl. refundable EPT.																

TRAMWAYS

TRAMWAYS	Year	Funded Debt $	Gross Income $	Net Earnings $	Deprec. $	Times Int. Earned after Deprec. No	Total Income Taxes $	Net Profit After Total Taxes $	Earnings per Share Preferred $	Earnings per Share Common $	Dividends Pref. $	Dividends Com. $	Surplus for Year $	Working Capital $	Total Refund. Portion $	DIRECTORS
BARCELONA TRACTION	1946	†32,621,221	4,094,804	3,954,480	....	2.98	......	2,374,945	....	1.32	....	nil	2,374,945	‡193,679	....	Henri Speciael, pres., New York; Allan Graydon, vice-pres.; E. A. Graydon sec.; C. D. Magee. Toronto; Domingo Sert, F. F. Lawton, Marques de Foronda, William Menschaert, Barcelona, Spain; D. N. Heineman, C. K. Wilmers, J. D. Duncan, Vicomte A. Van de Vyvere, J. B. Alley, New York; R. O. McMurtry London, Eng.; Baron Raoul Richard, Brussels, Belgium.
	1945	†34,716,224	4,083,634	3,973,349	....	2.92	......	2,613,667	....	1.45	....	nil	2,613,667	‡145,992	....	
†Not incl. accrued and unpaid interest totaling $9,501,755 in 1946, $9,518,102 in 1945.																
BRAZILIAN TRACTION	1946	•*20,709,705	79,060,881	31,981,627	5,490,531	...	......	23,101,481	5,872	3.28	6.00	2.00	9,657,721	47,564,689	....	Henry Borden, pres.; E. C. Fox, Arnold Gaine, vice-pres's.; G. R. F. Troop, vice-pres. & treas.; C. H. N. Ashlin F. A. Schulman, assts, to pres.; Osborne Mitchell, sec.; C. D. Magee, S. H. Logan, N. D. Wilson, Col. Walter Gow, Beverly Matthews, E. G. Burton; Toronto; J. A. Eccles, G. B. Gordon Montreal; W. E. Phillips, Oshawa; A. P. Holt, Rt. Hon. Viscount Greenwood, London, Eng.; H. B. Style, Rio de Janeiro.
	1945	•*21,790,230	66,160,378	30,960,860	5,528,381	...	......	22,212,516	5,646	3.16	6.00	2.00	9,402,484	59,205,888	....	
•Of subsids. *After deducting s. f. redemption of Rio de Janeiro 5% 1958 bonds and Sao Paulo Electric 5% 1962 bonds.																
JAMAICA PUB. SERVICE LTD.	1947	•3,639,700	2,087,388	717,344	130,000	5.70	127,954	356,423	....	1.61	....	0.84	103,504	171,090	....	R. D. Bell, pres.; Abner Kingman G. H. Clifford, vice-pres's., Montreal; V. D. Vickery, sec.; J. F. Burton, treas.; Hartland de M. Molson, F. J. Dupré, Montreal; Viscount Hardinge, London, Eng.; G. W. MacDuff, Kingston, Jamaica.
	1946	•2,433,333	1,856,798	683,503	125,000	5.63	122,368	336,872	....	1.55	....	0.68	117,597	621,266	....	
•Of subsids.																
MONTREAL TRAMWAYS	1947	40,847,400	24,706,879	2,763,249	1,000,000	†1.48	48,788	•378,245	....	d5.40	....	nil	•378,245	3,031,413	291,884	R. N. Watt, pres.; D. E. Blair, vice-pres. & gen. mgr.; A. Duperron, asst. gen. mgr.; T. D. Robertson sec.-treas; C. E. Gravel, Beaudry Leman, W. F. Macklaier, G. W. MacDougall*, G. C. McDonald, J. A. Savoie, W. Taylor-Bailey, James Wilson, Montreal. *Deceased.
	1946	41,547,400	24,739,581	4,341,388	1,000,000	†2.05	788,000	238,873	....	3.41	....	nil	238,873	5,144,770	291,884	
†Before deprec.																
OTTAWA ELECTRIC RAILWAY	1947	2,000,000	3,616,951	1,132,991	286,818	15.96	†380,624	412,522	....	2.93	....	‡3.00	236,537	2,067,896	576,778	A. T. Lewis, pres.; Hon. N. M. Paterson, vice-pres; (Miss) E. M. Baron, sec.-treas.; D. N. Gill, A. J. Major, Alex Johnston, Kenyon Fellowes; Ottawa.
	1946	1,260,000	3,810,122	1,302,739	281,151	17.37	†535,502	427,286	....	‡12.14	....	‡4.00	286,498	1,157,658	572,350	
†Incl. capital tax. ‡On old stock before 4-for-1 split.																
TWIN CITY RAPID TRANSIT	1947	6,375,000	16,680,823	2,477,811	1,385,627	4.44	475,000	355,009	4.15	0.62	2.50	nil	141,264	963,152	....	D. J. Strouse, pres.; Walter Carr, exec. vice-pres.; E. W. Decker, vice-pres.; Sibbald MacDonald, sec. and compt.; D. J. Bren asst to pres. and asst. sec.; C. T. Jaffray, A. F. Pillsbury; Minneapolis, Minn.; J. A. Cathcart, Chicago; F. C. Deacon, Toronto; G. A. Dobbie, Galt, Ont.; W. G. Seeger, W. O. Washburn, St. Paul, Minn.
	1946	6,775,000	16,320,684	4,121,276	1,375,879	9.23	1,225,000	1,203,276	14.07	4.19	2.50	1.00	731,025	2,348,011	....	

•Loss or deficit. d Deficit per share. ‡Excess of current liabilities over current assets.

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Ontario Hydro Output at New Peak But Demand Still Outruns Supply

Nearly 15.2 billion kwh of electrical energy was consumed in Ontario in 1947. This was a new high, 13.6% above 1946 consumption and 19.7% above the 1944 consumption. The greatest part of this power was supplied through the Hydro-Electric Power Commission of Ontario. Combined demands for power on the Commission's systems reached levels never before attained and exceeded the Commission's available resources late in 1947. This resulted in a stress being placed on conservation of power and later a modified system of power rationing which lasted through the first quarter of 1948.

To meet present and anticipated future demands for power the Ontario Hydro has started on a record construction program. Early this year the program of capital expenditures was estimated to cost nearly $320 millions of which about $75 millions had been expended to Dec. 31, 1947. This would extend over a period of five years. Authorized construction at that time would add 684,500 kw to the system's available power resources. Just recently the Commission announced it proposed to construct a steam plant in Windsor with an immediate capacity of 120,000 kw and an ultimate capacity of 240,000 kw at an estimated cost of $21 millions.

On top of this major construction program, the Commission is faced with the question of changing the largest part of its system (the Southern Ontario Division) over from 25-cycle to 60-cycle power. This change has been recommended by its consulting engineers and is now in process of discussion with the municipalities and the government. It will be a main issue in the election in Ontario this June. This project, if approved, will involve aronud $200 million expenditure and will take place over a period of years.

Another major program being pushed by the Commission is the extension of its rural service.

Negotiations have been under way for some time between the Commission and the two major privately owned companies serving Ontario, for acquisition of the latters' physical assets. Last September it was announced that negotiations between the Commission and the Great Lakes Power Co. had been terminated because of failure to agree on a price. Negotiations with the Ottawa Light, Heat & Power Co. are still in progress and also involve the Ottawa Hydro Commission.

Negotiations are now in progress between New York State Power authority and the Ontario Hydro Commission for joint development by the state and province of a $300 million power project on the St. Lawrence River which is expected to develop 2,200,000 hp. Cost and yield would be shared equally. Approval will have to be obtained of International Waterways Commission.

Gt. Lakes Power

Great Lakes Power Co. supplies hydro-electric power to large industrial users, to Sault Ste. Marie, Ont., and 20 neighboring communities and for mining development in the surrounding Algoma district. The entire stock of the former sole subsidiary, International Transit Co., was sold to Middle West Utilities Co. of Canada in 1947.

The company is embarking on a $2 millions expansion which will provide: A 13,000-horsepower extension to the power plant at Michipicoten River, 90 miles north of the Soo; completion of storage dams on the Montreal River and Lake Manitowic on the Michipicoten River. The company also will build a new head office in the Soo and will increase rural power lines throughout the vast district.

The company owns four hydro-electric power plants with a combined capacity of about 90,000 hp, located as follows: One on the St. Mary's River at Sault Ste. Marie, one at High Falls on the Michipicoten River, and two on the Montreal River. In addition 12,000 hydraulic hp is delivered from its St. Mary's River power canal, under a long-term contract, to the Abitibi Power & Paper Co. Perpetual water rights are held for use of 20,000 cu. ft. of water per second continuous flow on the Canadian side of the St. Mary's River, and also long term water rights on the Michipicoten River, and on the Montreal River.

The company sells power to the Algoma Steel Corp., Abitibi Power & Paper Co., Chromium Mining & Smelting Corp., Algoma Central & Hudson Bay Railway shops and docks, two iron mines and one gold mine, and a number of small industries. In addition the city of Sault Ste. Marie and the town of Thessalon are supplied with power at wholesale for distribution within their limits and adjoining areas.

The 26-mile extension to Renabie Gold Mines property was completed in 1947 and some 27 miles of rural distribution lines were built and put into service to supply new customers.

Additional transformers were installed in the Desbarats distribution sub-station to provide for the increasing load at that location. Preliminary work was also done in raising heights of the dam at Upper Falls plant, Montreal River, scheduled to be completed this year. The improvements will add about 2,000-hp capacity to the plant.

Negotiations for acquisition of the plants and transmission lines of the company by the Hydro-Electric Power Commission of Ontario ended in 1947 after more than two and a half years of discussion. Failure to agree on a price is said to be the reason, for termination of negotiations.

Sales of electricity in 1947 totaled 404,278,782 kwh as compared with 365,502,411 kwh in 1946. Net earnings in 1947 totaled $1,180,908 ($960,260 in 1946). Net profit was $349,400, or $9.82 per common share in 1947 as against net profit of $262,775, or $7.01 per common share in 1946. The previously outstanding $7 preference stock was redeemed Jan. 15, 1948.

During 1947 the company sold $6.5 millions principal amount of new first mortgage bonds, Series A, 3¼%, of which $2 millions were serial bonds; also $500,000 in unsecured notes were sold to Middle West Utilities Co. of Canada. The proceeds were applied by the company in redemption and retirement of $4,097,500 principal amount outstanding of its 4¼% first mortgage bonds and the redemption and retirement of $1,605,000 principal amount outstanding of 5% general mortgage bonds and calling and retirement of all its outstanding preference shares.

Ontario HEPC

Capital expenditure of the Hydro-Electric Power Commission of Ontario at $46 millions in 1947 greatly exceeded the amount spent on construction in any year since the building of the Queenston-Chippawa development. Capital construction budget for the year was over $57 millions, but due to deficiencies in available supply of labor and materials and other problems, actual expenditures dropped to about 80% of budget objective. During 1947 the increased construction program created a substantial volume of work in the acquisition of land and rights for hydraulic development, transformer stations, transmission lines, etc.

Principal developments completed or under construction follow:

SOUTHERN ONTARIO

The DeCew Falls 25-cycle generating station in the Niagara district was placed in service Sept. 26, 1947, with capacity of 57,000 kilowatts (77,000 hp) at an estimated cost of $7.7 millions;

The Stewartville generating station on the Madawaska River is expected to be placed in service Sept., 1948 with a capacity of 60,000 kilowatts (80,000 hp) estimated cost $10.5 millions;

The Des Joachims generating station on the Ottawa River is expected to start the initial four units in 1950 and the other four units in 1951. Capacity of the plant (eight units) will be 358,000 kilowatts (480,000 hp); estimated cost $57.6 millions. This development is the largest project in progress and at present there are more than 2,000 men employed at the site;

The Chenaux generating station on the Ottawa River is expected to start six units in 1951 and an additional two units in 1952. The plant will have a capacity of 119,000 kilowatts (160,000 hp); estimated cost $25 millions.

THUNDER BAY

The Aguasabon generating station is expected to be placed in service in Sept., 1948, with 40,000 kilowatt capacity (53,000 hp), estimated cost $8,511,000.

The Pine Portage generating station on the Nipigon River is expected to commence producing in Dec., 1950, with initial capacity 60,000 kilowatts (80,000 hp) and ultimate capacity of 120,000 kilowatts (160,000 hp); estimated cost $20 millions

NORTHERN ONTARIO

The Tunnel generating station on the Mississagi River is expected to go into operation in early 1950 with capacity of 42,000 kilowatts (56,500 hp); estimated cost $13.8 millions;

The Ear Falls generating station (extension) on the English River is expected to start its fourth unit June, 1948, with capacity of 5,500 kilowatts (7,500 hp); estimated cost $1.2 millions.

Combined demands for power on the Commission's systems in 1947 reached new records and exceeded available resources, especially on the southern Ontario system, where it was necessary to curtail deliveries of power to industrial consumers. Total peak output on the combined systems was 2,056,000 kilowatts (2,755,000 hp), exceeding the record output of the previous year by 97,500 kilowatts (130,000 hp) or 5%. Total energy output from all generated and purchased sources was 13,654,857,750 kwh, an increase of 983 million kwh or 7.8% over 1946. Maximum primary peak demand (actual load plus cuts) for the fiscal year occurred in October, 1947, and was estimated at 2,169,700 kilowatts (2,908,000 hp), an increase of 10.6% over 1946.

The second unit at DeCew Falls came into production in time to be of service when the customary winter increases in load took place, but growth in demand had already exceeded capacity added, with the result that the load cuts in October, November and December, 1947 exceeded those for the same months of 1946. Due to the unprecedented demand in 1947, the Commission found it necessary to introduce a system of modified rationing.

In addition to the foregoing undertakings, the Commission is planning on erecting a $21 millions steam plant for generating electricity on the outskirts of Windsor. It will generate 60-cycle power and initial capacity is to be 120,000 kilowatts (160,000 hp). Site and capacity of certain ancillary facilities will provide for an ultimate output of 240,000 kilowatts (320,000 hp). A second steam plant has been proposed for the general vicinity of Toronto.

The Commission's available power resources total 2,050,000 kilowatts (2,748,000 hp) and along with new additions—excluding the proposed steam plant—will increase capacity to 2,754,000 kilowatts (3,691,000 hp). Other hydro-electric and steam plant projects now being studied for integration into the general expansion program, if undertaken, will provide over 250,000 kilowatts (330,000 hp) of additional capacity.

Modifications and rehabilitation of many transmission facilities and transformer stations were made last year. These extensive changes, together with increased transformer capacity, provided more stable operating conditions for many systems and municipal stations. Increased capacities were provided in a large number of locations. Despite shortages of materials and men, 21,000 new consumers were served and 1,000 miles of primary lines were built. At the year end of October, 1947, there were on hand and in immediate prospect some 35,900 rural applicants requiring service this year. To serve part of this group, it will be necessary to construct 5,300 miles of new primary lines; the remainder will be connected to existing lines. The objective of the Commission is to serve some 30,000 new consumers this year and to construct 3,400 miles of new rural lines.

In 1947 the Commission retained Stone & Webster Engineering Corp. to report upon three problems.

(1) Present and future sources of power, probable demand, types of power, the desirability of augmenting for certain areas hydro-electric developments by steam or other auxiliary units.

(2) Proposed frequency change, with an assessment of advantages, review of estimated cost and particularly the timing of any changes and program that might be suggested.

(3) New sources of power for short term requirements and related development of new power sites.

The cost of converting the 25-cycle island in southern and western Ontario to 60 cycle has been estimated by Hydro at $191 millions. No definite date for starting the project has been set, but the program is expected to need from 15 to 20 years to complete.

Ottawa L H & P

Ottawa Light, Heat & Power Co. provides electric power and gas in the cities of Ottawa and Hull and surrounding districts, serving some 175,000 persons. Both electric and gas systems are operated under perpetual franchises. In Ottawa there is a municipally owned electric distributing system and in Hull, a privately owned system in competition with the company.

The company has been discussing with the Ontario Hydro-Electric Power Comm. since 1945 the possibility of the Commission acquiring the company's electric business. The Commission has indicated a desire to purchase the two generating plants at Chaudiere Falls and rights in certain water power lots. The Ottawa Hydro-Electric Commission has advised the company that it wishes to purchase assets within the province of Ontario except the gas plant and office building. Directors of Ottawa Light, Heat & Power Co. have expressed their willingness to meet the Ottawa Hydro-Electric Commission at any time. A bill was passed in the Ontario Legislature, April, 1948, authorizing the city of Ottawa to purchase certain assets of the company within the province.

The company undertook no major capital expenditures in 1947, but substantial improvements and additions were made throughout the electric distribution system, particularly in the suburban areas. Although the improvement in net earnings in 1947 was lower than in 1946, directors felt that it was satisfactory in view of increases in operating expenses last year due to higher wages, the extra cost of purchased power because of abnormally high water at Chaudiere Falls in May and June, and higher cost of materials.

Net earnings were $1,053,883 in 1947 as against $1,062,905 in 1946. Net profits were $313,500, equal to $18.44 on the preferred and $1.63 per share on the common ($298,204 and $17.54 and $1.52 in 1946). Working capital was $1,185,153 ($941,378).

Ottawa Valley

Ottawa Valley Power Co. owns or holds under lease from the Quebec Government for a period of 75 years, all the water power rights in Quebec at Chats Falls on the Ottawa River. The water power rights in Ontario, at the site, are held through lease from the province of Ontario by the Hydro-Electric Power Commission of Ontario, with whom the company jointly developed the site.

The property comprises a power house containing eight units of 28,000 hp each, four on each side of the interprovincial boundary, with dams extending to each bank of the Ottawa River. The portion of the power house and dam on the Quebec side is owned by the company and that on the Ontario side by the Commission. Under an agreement terminable upon three months' notice the Commission operates the plant for the account of both provinces.

The company contracts to deliver all its available power to the Hydro-Electric Power Commission of Ontario and provides for payment for 96,000 electrical hp by the Commission at $12.50 per hp per annum, subject to certain adjustments.

The company is controlled to the extent of 85% of its outstanding 50,000 n.p.v. common shares by Calgary Power Investments.

Gross earnings from operations in 1945 (latest figures) totaled $1,019,507 as against $987,826 in 1944. After charging operating expenses, depreciation, the amount available for bond interest in 1945 was $682,209 as against $641,869 in 1944. Funded debt comprises $7.5 millions in 3¼% series first mortgage sinking fund bonds, due Jan. 1, 1971.

Government and Corporation Securities

Enquiries Invited

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ALBERTA

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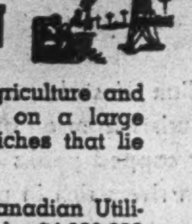

Today in Alberta, modern agriculture and industrial development, applied on a large scale, are bringing life to the riches that lie in the land.

Within the next four years, Canadian Utilities Ltd. will spend approximately $4,000,000 to provide additional facilities and to develop further the natural wealth and contribute to raising the standards of life in its service areas.

Irrigation, great gas reserves, petroleum, water power, 12 per cent of the world's coal reserves — all these are bringing great industrial possibilities to this Western province.

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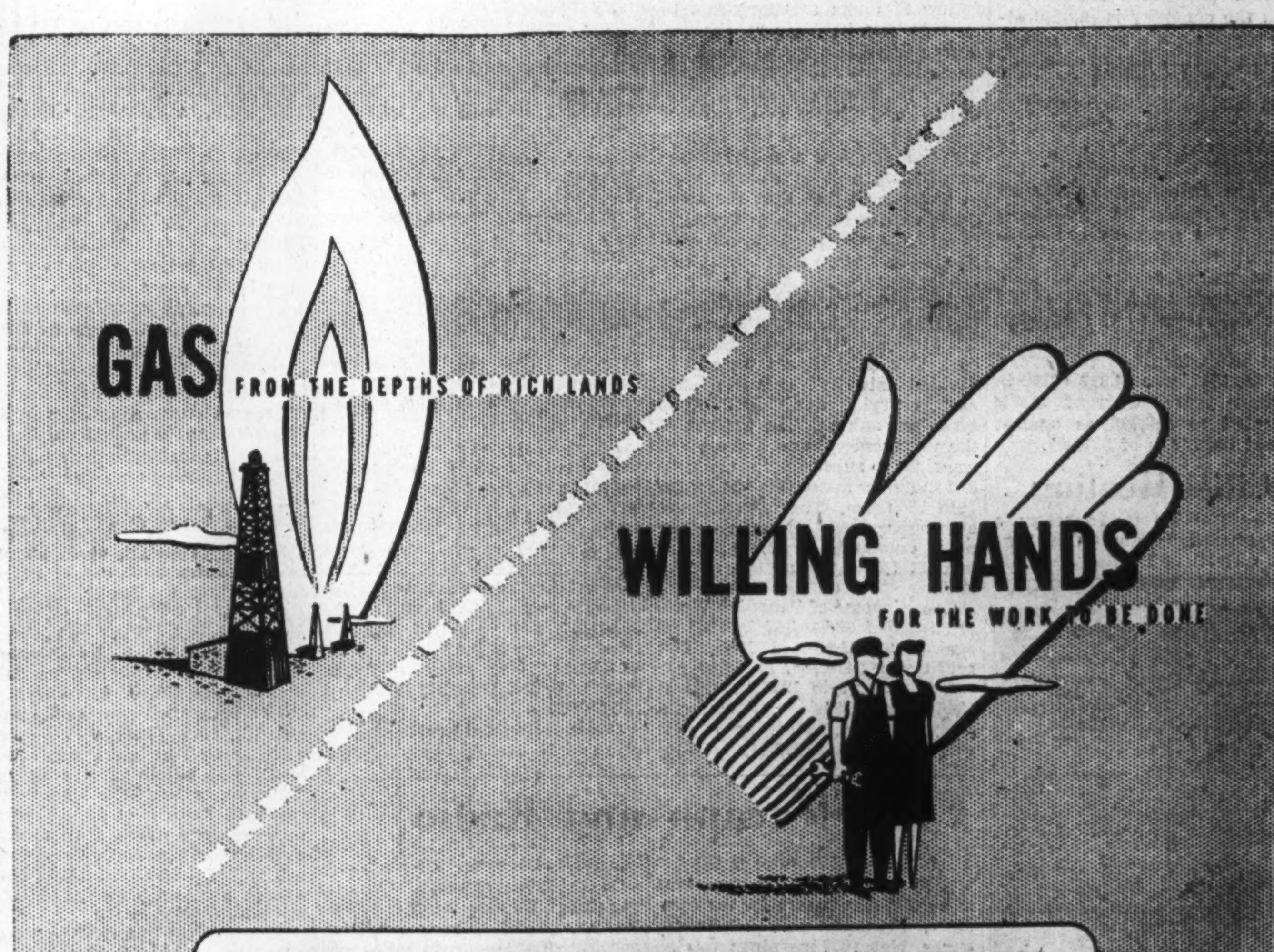


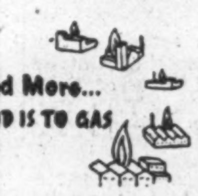
ALBERTA
has an Unbeatable Combination

Nature has been kind to Alberta — and those who live and work on her lands have learned how to make the most of her good fortune.

That good fortune lies in some of North America's greatest natural gas reserves.

The extensive transmission systems of Northwestern Utilities Ltd. and Canadian Western Natural Gas Co. Ltd. make that gas available to centers of population in Edmonton, Red Deer and central Alberta . . . and in Calgary, Lethbridge and southern Alberta.

Alberta's gas rates are phenomenally low. Here gas powers the wheels of industry at an average of 13 cents per thousand cubic feet. Compare this to the cost in Eastern Canada, where the average rate is 63 cents per thousand cubic feet.



The Edmonton gas system has provided for a six and one-half million dollar expansion program over the next five years — while for its part the Calgary-Lethbridge system also anticipates spending substantial sums to meet the expanding requirements of the area which it serves.

These natural gas systems in the newer part of the new world are close to great supplies of raw materials . . . and people with a pioneering will to work. They provide a sound basis for our belief in the growth of business and industrial life in Alberta — hand in hand with her other great natural and agricultural resources.

If you would like to know more about the industrial possibilities of Alberta, write to either of the companies below.

Canadian Western Natural Gas Co. Ltd.
CALGARY

Northwestern Utilities Limited
EDMONTON

ALBERTA, CANADA

Natural Gas Sales Hit Record in 1947; Alberta Faces Problem of Exports

Sales of manufactured and natural gas in Canada in 1947 reached an all-time peak of 64,-500,943 M. cu. ft.—up 12.3% from 1946. Revenue from sales amounted to $36.9 million—up 7.6%. Sales output represented a 38% jump from 1938, a typical prewar year. At the same time demand was far in excess of supply particularly in southwestern Ontario.

Biggest sales boost came in natural gas, particularly in Alberta. Quantity sold was up about 25% from 1946. Although all chief market outlets in the west reported important increases, the biggest jump came in demand from the industrial market which took 10,271,269 M. cu. ft. compared with only 6,560,608 M. cu. ft. the previous year. In Eastern Canada natural gas sales were up narrowly.

Alberta gas officials are faced with an important decision: whether to reserve the gas resources for the Province's own rising demands or allow export on a limited scale to other provinces and the United States. Prominent in their planning is the conviction that natural gas is coming to play an important role in the synthetic fuels and chemical industries. It may be, some experts claim, that 10 years hence the gas will be worth a lot more than at present.

City Gas & Electric

City Gas and Electric Corp. serves Three Rivers, Que., with gas and Amos, Que., with electricity, and Val Morin, Que., with water. It owns a gas plant at Three Rivers and a water distribution system at Val Morin.

Progress has been made in connection with the "bottled gas" or liquefied petroleum gas service which the company is inaugurating. Progress has been necessarily slow due to difficulty in obtaining delivery of equipment. Various plants and distribution systems of the company are being maintained in good working order and repair and all necessary extensions are being made to meet growing demand for company's services. The company is installing bulk filling stations at various points in Quebec from which point a tank truck service will make deliveries to the consumers.

Net profit for fiscal year ended Mar. 31, 1947, was $4,010 ($169 in previous year). Current assets amounted to $26,728 as against current liabilities of $24,801.

Cities Heating

Cities Heating Co. operates a central heating system in the business district of London, Ont., on a 30-year franchise granted in 1928. There are about 275 customers using the steam heat.

The authorized and outstanding 30,000 n.p.v. common shares are held privately and no dividends are paid at present. Public interest is confined to the outstanding $160,000 in 4½% first mortgage sinking fund bonds due Nov. 1, 1955.

Net profits for the fiscal year ended May 31, 1945 (latest available), were $23,463 as against $26,-247 in the previous year.

Can. West. Natural Gas

Canadian Western Natural Gas Co. produces and distributes natural gas for heating, lighting and power purposes to Calgary, Lethbridge and the towns of Granum, Claresholm, MacLeod, Nanton, Brooks, High River, Stavely, Foremost, Burdett, Cayley, Parkland, Taber, Okotoks and Black Diamond, Alberta. The company serves a population of approximately 108,000.

Canadian Western Natural Gas Co. owns natural gas rights on 1,524 acres and holds producing wells in the Barnwell, Bow Island, Brooks and Foremost fields, but these, with the exception of Brooks fields, have been used since 1930 only for repressuring or stand-by purposes. The company has a contract with the Madison Natural Gas Co. for the purchase of gas from the Turner Valley oil fields and practically all its requirements are at present supplied from the Turner Valley field. The company controls practically all of the known gas reserves within transportable distance of its market.

The company hopes in the near future to make arrangements to provide for its natural gas requirements for a long period. In much less than 16 years, depending on the growth of load, Turner Valley and the southern fields combined will not be able to supply the company's peak winter requirements, it is stated. Well in advance of that time the company, as a protective measure, is faced with the necessity of connecting its system with some other field.

During 1947, Canadian Western Natural Gas Co. recapitalized its 6% $100 par preference shares to 4%. The $100 shares were subdivided into five shares of $20 each, carrying a dividend of 80 cents per annum. The holders of the preference shares were given the right to subscribe for one new $20 share for every five $20 shares held by them. The offering was over-subscribed and there are now outstanding $3,008,200 as against $2,508,200 at the end of 1946.

Gross income of Canadian Western totalled $3,746,767 in 1947 as against $3,172,554 in 1946. Net profit was $476,104, or $4.26 per common share in 1947 as against $544,708, or $4.93 per common share in 1946. Working capital was $1,047,618 ($708,661). A substantial increase in earned surplus to $1,847,707 at the end of 1947 reflected a net credit of $1,149,173 resulting from cancellation of the capital reduction reserve fund and conversion of the 6% preference shares.

Consumers' Gas

Consumers' Gas Co. of Toronto sold $5 millions in 3⅜% sinking fund debentures in April, 1948, to retire a bank loan and to provide additional working capital for capital expansion.

Record output was realized in fiscal year ended Sept. 30, 1947 at 8,179,660,000 cubic feet of gas, an increase of 3.6% over the previous record set in 1945-46. Record daily output was measured at 29,828,000 cubic feet on Feb. 5, 1947. The record trend continued in the four months ended Jan. 31, 1948, when output was approximately 6% ahead of the similar period in 1946-47.

Early in March, 1948, the company announced an increase in rates amounting to about two cents per hundred cubic feet across the board for some 92% of its customers with a slightly smaller increase for the remaining 8%. On the basis of the then existing sales the company estimated that about 85,000 customers would experience an average increase in monthly bills of about 29c. Higher wage costs, as well as increased costs of coal and other materials bought for the manufacture of gas, made the boost necessary.

Installation of a new water gas set with a capacity of 5½ million cubic feet of gas per day, an extension to the generating house building and a new oil-fired boiler were placed in operation at Station B works in 1946-47. A heavy program of renewals and repairs costing $994,002 was completed during the year.

Net profits of $2,040,852 in 1947 were equal to $7.19 per share ($1,855,217 or $8.09 per share in 1946). Total gross earnings were higher at $9,994,603 ($9,206,003). Operating expenses increased to $8,035,425, up from $7,442,305 the year previous, due primarily to a higher payroll.

In 1947 fixed assets increased by $802,717 and renewals totalled $994,002, a high for recent years. Capacity of the plants has been increased by 5,250,000 cubic feet per day although only initial stages of expansion program had been completed by the end of 1947.

Principal change in the company's balance sheet was the appearance of a bank loan of $1,065,-403 (since liquidated). Inventories were higher by $300,000 and working capital was down from $3,873,624 to $2,967,229. The renewal fund, despite heavy withdrawals, was up $150,000 to $10,-553,130. The general reserve totalled $3,464,458 as against $3,726,824. Net profit in three months ended Dec. 31, 1947, was $504,539.

Construction and expansion program to be carried over the next three years is expected to cost $3.2 millions.

Union Gas

Union Gas Co. of Canada is engaged directly and through its subsidiaries in the distribution of natural and manufactured gas in southwestern Ontario.

Drastic reduction in gas distribution to industrial consumers in Jan., 1948, to provide a higher quantity for domestic consumption, due to United States legislation on the expropriation of natural gas is expected to have a bearish effect on earnings for fiscal year ended Mar. 31, 1948.

Importation of natural gas from the U. S. under contract with the Panhandle Eastern Pipeline Co. was held up early in 1948 due to a shortage of gas in the U. S. Construction work has been completed by the Union Gas Co. which will ultimately permit importation of approximately half of the 5½ billion cu. ft. per annum contracted for but further construction is dependent upon delivery of steel ordered for the 63-mile pipeline from Windsor to the Dawn storage area. Additional pipeline construction work must be undertaken also by the Texas firm before total contract requirements can be fulfilled.

Net 1946-47 profit was $435,338 as against $418,807 in 1945-46. Working capital of $2,409,553 was down from $3,066,892. During the 1946-47 fiscal year $500,000 in 4½% bonds was redeemed, $760,992 was expended on the gas importation project and net expenditures on wells, pipelines and general plant totaled $473,429.

Union Gas and subsidiaries were granted an interim rate increase ranging from 5.5% to 78.6%, depending on the areas served, late in January, 1948. However, the company's legal counsel has stated that the increases are insufficient and will result in a loss, but counsel for the municipalities served disagreed.

In addition to serving the gas markets of London, Windsor, Riverside, Chatham, Sarnia, Petrolia, Wallaceburg, Dresden, Ridgetown, Blenheim, Tilbury, Essex, Wyoming, Alvinston, Thamesville, Bothwell, and numerous other municipalities, Union Gas and subsidiaries operate over 400 natural gas wells in Ontario. Through over 1,500 miles of pipelines the system serves more than 60,000 gas customers.

The company is increasing storage facilities for propane by 500,-000 gallons and plans gathering natural gas from scattered wells into central storage area during off-season summer months in an effort to overcome gas shortages in the industrialized Windsor-Sarnia-London area in winter.

Mtl. Coke & Mfg.

Since expropriation by the Quebec Government of Montreal Light, Heat & Power Cons. in April, 1944, Montreal Coke & Manufacturing Co. has been jointly controlled by Quebec Hydro-Electric Commission and the Koppers Co. of Pittsburgh.

The company owns and operates the coke plant at Ville La-Salle as well as operating, under lease, the adjoining gas manufacturing plant. The plant includes a battery of 59 Koppers-Deckers coke ovens with annual coal carbonizing capacity of 560,-000 tons. Production in 1943 (last figures available) exceeded 400,-000 tons of coke.

The original outstanding funded debt of Montreal Coke & Manufacturing Co. totaled $3.4 millions in first mortgage serial bonds and was all held privately. Amount outstanding at March 17, 1944, was $940,000, of which $315,000 was due annually March 16, 1945 and 1946, and $310,000 on March 16, 1947.

United Fuel Inv.

United Fuel Investments is a holding company and through its subsidiaries is engaged in the manufacture and sale of gas, coke, and other by-products in the Hamilton, Ont., area.

Plans to convert the present natural gas distribution system for the distribution of manufactured gas were approved in 1947. This step was made necessary due to the continued decrease in the volume of natural gas and inability of the company to contract for sufficient volume of liquefied petroleum gas to make up the deficiencies of natural gas. The company intends to increase its present facilities to enable it to serve manufactured gas in all markets. Cost of conversion is estimated at $500,000 with an improvement in earnings expected to result from the conversion.

Net earnings from operations in 1946-47 fiscal year rose to $1,107,598, up from $865,763 in the previous year, due to higher unit filling prices for most products in effect for the greater part of the year.

Gross production costs were reduced 8% due to decline in volume of sales. Net profit totaled $395,138 in 1947 ($245,854 excluding refundable EPT in 1945-46). Earnings amounted to $4.39 on the class A preferred and 78c on the combined class B and common shares in 1946-47 ($2.73 excluding and $2.75 including refundable EPT on A stock and a deficit of 15c and 14c, respectively, on the combined shares in 1945-46. Working capital at $1,-463,595 was up from $1,272,865.

The government plant, erected at Hamilton in 1943 to produce gas and coke for war purposes, is being dismantled, but its closure will have no effect on future operating results as it was conducted on a cost basis.

The Natural Gas Supply Agreement of Mar. 31, 1939, with Dominion Natural Gas Co. and Union Gas Co. was approved for cancellation in July, 1947, by class A preference shareholders so that conversion could be made for the distribution of manufactured gas.

Telegraph and Radio

(Continued from page 25)
ication should have an important and promising future for the company, President A. H. Ginman states. Net 1947 earnings totaled $353,423 as against $106,138 in 1946. Final net profit was $67,872, or 1.5 cents per share, as against a net loss of $25,947 or deficit earnings of .6 cents per share in 1946. Net working capital was $1,913,524 ($2,179,343 in 1946).

The larger volume of business being handled by the company, coupled with enhanced labor and material costs and irregular deliveries of supplies and components, has resulted in a considerable increased gross value of inventory. As a protective measure against possible shrinkage in inventory value, the company transferred $900,000 from earned surplus to inventory reserve, bringing the reserve to $1,118,623 at the end of 1947.

Mont. Telegraph

Montreal Telegraph Co. owns under a perpetual franchise approximately 22,000 miles of wire, operated and maintained by Great North Western Telegraph Co. of Canada (Canadian National Telegraphs). Operation and maintenance are guaranteed under a 97-year agreement from July 1, 1881, by Western Union Telegraph Co., which also guarantees payment of dividends. Annual payment from G.N.T.C. Co. is $165,000.

The territories served chiefly cover the provinces of Ontario and Quebec and parts of Nova Scotia, northern New York, Vermont, Maine, New Hampshire and Michigan.

Total 1947 revenue was $169,716, derived to the extent of $165,000 from Great North Western Telegraph Co. and $4,716 in the form of revenue from investments. Total revenue in the previous year was $169,534. After allowing for dividends, income tax reserve, contingency reserve for other taxes, and administration expenses, the 1947 surplus was $4,074, as against $4,450 in 1946.

President Henry E. Rawlings stated in the 1947 annual report that there is still standing an assessment by the province of Quebec for profit taxes for the years 1932 to 1940, inclusive, amounting to $41,014 plus interest at 5%. No payment has been made on account of these profit taxes and the claim is still under discussion by the company's counsel with representatives of the provincial government.

STANDPIPE

This standpipe, erected a number of years ago for the town of Aurora, is an excellent example of the various types of steel plate work which Toronto Iron Works have fabricated and erected for progressive Canadian municipalities. This particular standpipe has a capacity of 255,000 gallons. Diameter is 24 ft., height 90 ft.

THE TORONTO IRON WORKS LIMITED

STEEL PLATE PRODUCTS

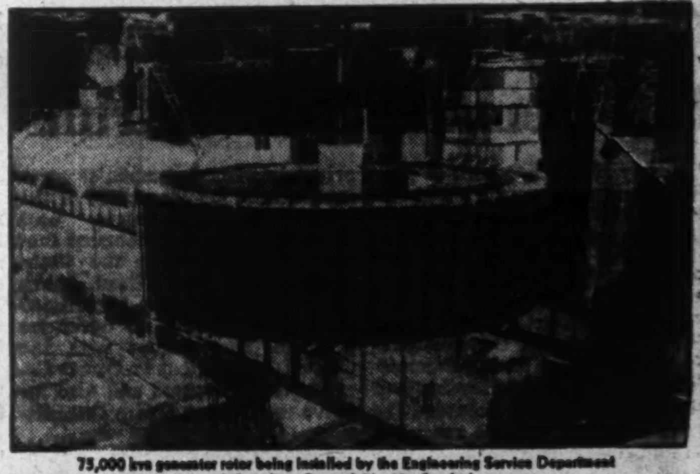
DESIGNERS, FABRICATORS, ERECTORS

TORONTO MONTREAL

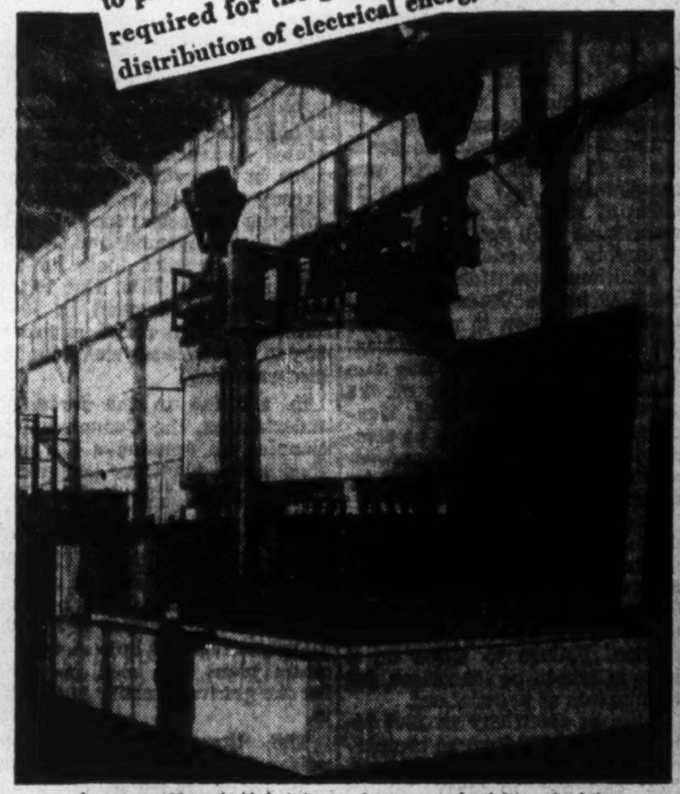
GENERAL ELECTRIC EQUIPMENT

to help utilities meet increasing loads

Canadian General Electric is continuing its policy of expanding its manufacturing facilities to produce as rapidly as possible, the equipment required for the generation, transmission and distribution of electrical energy.



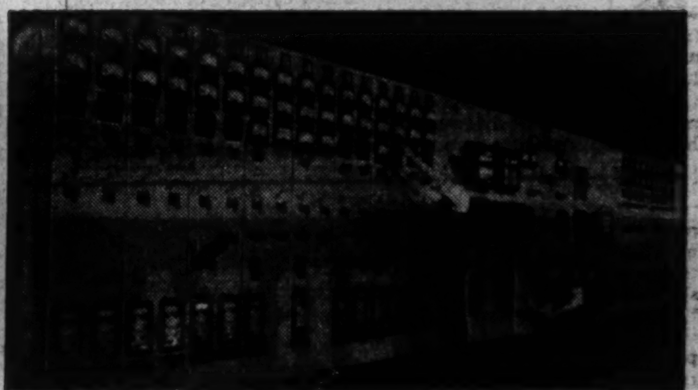
75,000 kva generator rotor being installed by the Engineering Service Department of Canadian General Electric Co. Ltd.



Lowering a 100 ton shielded-winding transformer core and coils into an insulating vacuum-impregnating tank at Toronto Davenport Works.

75-ton core and coils for a 25,000 kva transformer being moved along the assembly floor, by two cranes and an ingenious lifting jig.

Winding the stator for a 75,000 kva water-wheel driven vertical shaft generator before shipment to large Canadian power station.



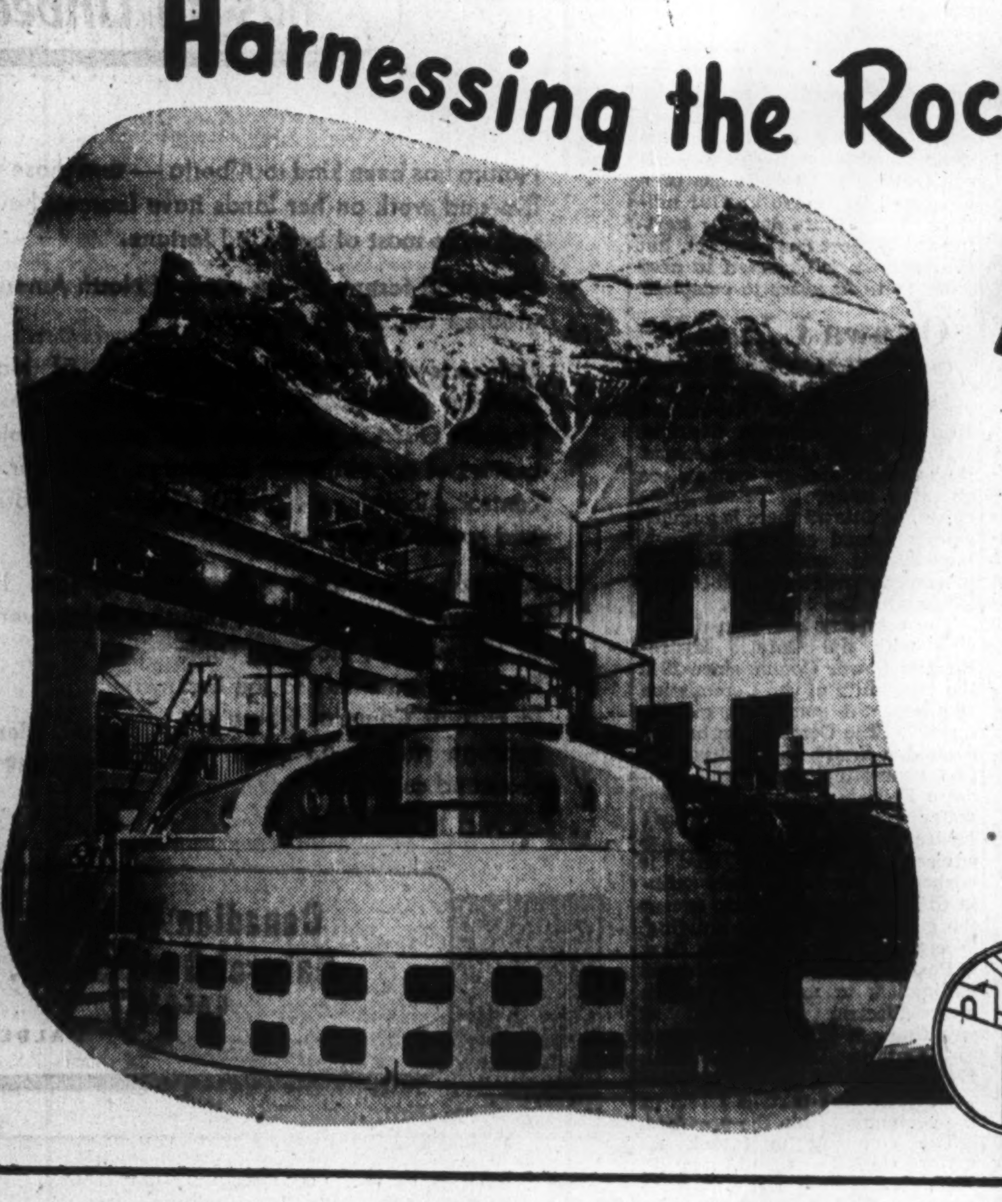
Applying the finishing touches to a 25 panel streamlined switchboard with flush-mounted instruments and relays at Peterborough Works.

48-EY-6

CANADIAN GENERAL ELECTRIC CO LTD

HEAD OFFICE - TORONTO

Harnessing the Rockies to the needs of ALBERTA



The towering Rockies of the Canadian West do more than act as a magnet attracting thousands of tourists from all over the world to Alberta, for among their snow-capped peaks are born the myriad rushing torrents that join and form rivers rich in potential sources of hydro power.

With its plants at five of these locations, Calgary Power has harnessed the Rockies to serve thousands of Alberta's homes and to aid in the development of her expanding industries.

Power capacities have been recently increased and surveys are now being conducted to augment them still further in the near future. Industry is becoming increasingly aware of Alberta's rich resources and this company will ensure that all needs for power will be met.

CALGARY POWER LTD.

• SERVING ALBERTA •

7 Million HP Is Quebec's Target To Pace Huge Industrial Expansion

Like the depression which was supposed to follow the war, the huge surplus of Quebec electric power has failed to materialize. In the months immediately following World War II, many experts and non-experts predicted a huge surplus of hydro-electric capacity in the province. But on the contrary, most power companies are expanding production facilities to meet the tremendous industrial growth.

Over the next two or three years, another 1.5 million horsepower will be added to the presently installed 5.8 millions. This will give a total installed capacity of approximately 7 million hp and will leave a comparable amount of undeveloped power.

Beauharnois LH&P

The properties of Beauharnois Light, Heat & Power Co. were expropriated, April 15, 1944 by the Province of Quebec and control was taken over by the Quebec Hydro-Electric Commission. The properties comprise a 650,000 hp hydro-electric development on the St. Lawrence River near Montreal. A new 600,000 hp development is currently being undertaken.

In expropriating assets of Beauharnois, bonds outstanding became the obligation of the Commission. In May, 1946, Quebec Hydro-Electric Commission offered $72,260,486 (including 10% for forcible take) for shares of Beauharnois, against which there were debts and charges totaling $79,380,510. At a meeting held June 19, 1946, shareholders turned down the offer, so question of proper valuation for expropriated assets will go before an arbitration board.

The bulk of Beauharnois shares were acquired by Quebec Hydro in 1947 through taking over the majority of shares in Montreal Light, Heat & Power. Determination of indemnity to be paid to minority shareholders has gone before a Board of Arbitration (first hearing held early in March, 1948), but efforts are being continued for a compromise settlement. Shareholders' committee has made a motion that under the Expropriation Act, indemnity should be fixed by capitalizing the net income of the company through its operations of the plant at the time of expropriation, instead of making formal valuation of the assets.

Following the expropriation the $39,995,900 4½% first mortgage bonds were redeemed Mar. 1, 1947. Other funded debt comprised $18 millions in 5% 20-year notes. In 1946 Quebec Hydro paid off $6 millions of these notes and payment for the remaining $12 millions was offered, but the trustee for the noteholders refused to accept payment, due to special terms under which notes were pledged. At the time of refusal to accept payment the Quebec Hydro refused all further interest payments.

Can. Light & Power

Canadian Light & Power Co. owns a hydro-electric plant on the St. Lawrence River near Ste. Timothee, Que., about 30 miles from Montreal. The plant has an installed capacity of 28,800 hp. Control is held by United Securities Ltd.

Canadian Light & Power Co. acquired under lease for 63 years the old Beauharnois Canal, 11 miles in length, 200 ft. wide and 10 ft. deep, giving a waterhead of 51 ft. The Government reserves the right to take back the canal at the expiration of the lease by paying the value of the company's buildngs, plant and works connected therewith.

Gross income from all sources of Canadian Light & Power totaled $483,801 in 1947 ($477,075 in 1946). Net earnings were $256,376 in 1947, and after deducting depreciation, bond interest and providing for income tax, the net profit was $10,338 as against net earnings of $274,981 and net profit of $20,272 in 1946. Net working capital was $890,325 ($807,034).

Can. Northern Pr.

Canada Northern Power Corp. supplies power and light through its subsidiary to the mining towns and districts of northwestern Quebec, including Rouyn, Cadillac, Malartic, Dubuisson, Duparquet, Pascalis and the towns of Noranda, Ville Marie, Rouyn and Val D'Or.

The sole subsidiary, Northern Quebec Power Co., is the operating company supplying power wholesale to the Northern Ontario Power Co., and operating a 55-mile transmission line to the Quebec-Rouyn district. The plant is situated at Ka-Ka-Ke Falls on the Quinze river which has a combined capacity of 60,000 hp.

Demand for power increased slightly in 1947 with output of 274,144,524 kwh comparing with 248,064,944 kwh in 1946. There was an increase of 886 in the number of customers served. New contracts were entered into with three new mining properties in northwestern Quebec during the year. The company has completed arrangements to increase installed capacity of its Quinze river power development by about 40,000 hp by raising the head of the dam to 90 ft. and installing an additional unit.

Gross 1947 revenue totaled $2,082,695 ($2,010,687 in 1946). Net profit of $646,344 was equal to 61c per common share as against $658,493 or 68c per common share in 1946. Working capital was $6,768,772 at Dec. 31, 1947 ($971,307 at end of previous year). However, $6,037,240 of the working capital (cash) was used for redemption of that amount of preferred stock at Jan. 15, 1948. The company had called its 7% preferred shares for redemption on Jan. 15.

New financing of the subsidiary, Northern Quebec Power Co., was completed in Dec. 1947, whereby all outstanding 6% bonds and debenture notes held by Canada Northern Power Corp. were retired and cancelled and new issues of $4.8 millions 3¾% 20-year first mortgage bonds, series A, $1.2 millions 3% first mortgage serial bonds, series A, and $3 millions 4½% general mortgage bonds were created and sold to the public. In addition 5% cumulative redeemable preferred shares of $1 million were authorized and sold. The proceeds of the sale of these new shares were used to retire and cancel the 6% bonds and debenture notes held by Canada Northern Power and to provide for most of the cost of raising the head and installing an additional unit to increase the capacity of the Quinze River plant.

Gatineau Power

Gatineau Power Co. is engaged in the generation, distribution and sale of hydro-electric energy in eastern Canada. Chief customers are the Hydro-Electric Power Commission of Ontario and Canadian International Paper Co. The company is a subsidiary of International Hydro-Electric System.

The company owns and operates 18 generating plants with a total design capacity of 818,319 hp; installed capacity is now 749,634 hp, having been increased in 1938-39 by installation of an additional 34,000 hp, 60-cycle unit at the Chelsea plant. Orders have been placed for a 27,000-hp generating unit for the Bryson hydro-electric plant and it is expected that this unit will be in service late in 1949. Construction is also proceeding on the 18-mile 110,000-volt circuit from St. Jerome to Ste. Adele. The circuit is to be extended a further 12 miles to the town of Ste. Agathe, where a 10,000-kva substation will be located.

Total output in 1947, including small amounts of purchased power, amounted to 3,310,275,380 kwh as against 3,016,819,220 kwh in 1946. The consolidated peak load of 725,657 hp in August, 1947, compared with a load of 680,885 hp recorded in 1946.

During the past two years the company has expended $2.2 millions on new construction. Installation of generating equipment, extensions to transformer stations and distribution system to be made this year and in 1949 are estimated to cost about $3.8 millions. Funding of these expenditures is under consideration, President G. Gordon Gale stated in 1947 annual report.

Gross 1947 revenue totaled $12,306,253 ($11,149,122 in 1946). The substantial increase in revenue resulted from particularly favorable water conditions during most of the year, the sustained demand for electricity from industry and the growing needs of old and new commercial and residential consumers. Net 1947 profit of $3,512,547 was equal to $22.38 on preferred and $1.63 on common as against net profit of $2,969,947, or $18.92 on preferred and $1.30 per common share in 1946. Working capital at the end of 1947 was $352,560 ($1,294,960).

The company late in 1946 filed an agreement with the Provincial Electricity Board covering purchase of the electrical distribution system of Ottawa Light Heat & Power Co. in Hull, Quebec. No information was carried in the 1947 annual report in regard to further developments along this line.

Mtl. Island Power

Properties of Montreal Island Power Co. were expropriated by the Province of Quebec in April, 1944, and control was subsequently taken over by the Quebec Hydro-Electric Commission. The Commission offered $7,942,000 (including 10% for forcible taking), in May, 1946, for the expropriated assets. Shareholders later turned down the offer.

Early this year an Arbitration Committee commenced hearings regarding a proper valuation for the expropriated assets of Montreal Island Power. Outstanding $9,065,000 in 5½% first mortgage sinking fund bonds, Series A, of Montreal Island Power Co. at date of expropriation (now the obligation of the Quebec Hydro-Electric Commission) have been progressively reduced. The Commission redeemed $100,500 on Nov. 1, 1944, $100,500 on Nov. 1, 1945, $112,000 on Nov. 1, 1946. In February, 1948, the Commission gave notice that it would purchase in Canadian funds all or any of the 5½% bonds submitted before April 1, 1948, at 101 and interest to May 1, 1948.

Maclaren-Que. Pr.

Maclaren-Quebec Power Co. operates two power sites on the Lievre River on which it has developed and fully installed 258,500 hp, comprising 122,500 hp of 60-cycle at High Falls and 136,000 hp of 25 cycle at Masson Falls.

Power sales are under contract to the Ontario Hydro-Electric Power Commission at the rate of 185,000 hp at $12.50 per hp per year, to the James Maclaren Co. at the rate of 66,000 hp, or 60,000 hp at $8 per hp per year, if available, and 6,000 hp at $20 per year, and some 8,000 hp to Electric Reduction Co. The entire outstanding shares of Maclaren-Quebec Power are held by Maclaren Power & Paper Co. Funded debt is $18,178,000 of 3% sinking fund bonds, $550,000 in 10-year 5% notes.

Power sales of Maclaren-Quebec Power Co. totaled $3,134,617 in 1947 ($2,421,855 in 1946). After deducting all operating expenses, bond and other interest and expenses applicable to bond interest, amortization and discount of funded debt, premium on notes purchased and provision for taxes, the net 1947 profit was $651,234 as against a loss of $359,740 in 1946.

Shawinigan Water & Power

Shawinigan Water & Power Co. produces and distributes hydro-electric power in the province of Quebec and is one of the largest companies of its kind in the world. A substantial stock interest is held in other utility companies, and through its subsidiary, the company produces various chemicals, resins for use in electrical insulation and in the manufacture of shatterproof glass.

Total output of power in 1947, including power purchased, was 6,886,491,000 kwh (7,187,324,000 in 1946). Firm power peak load on the system, however, was 11% greater than in the previous year and sales of firm power under contract also rose about 10%. During the year the retail distribution system was extended and 734 miles of new lines were placed in service. Retail sales now produce about 27% of the total power revenue.

Expansion program extending to 1949 calls for expenditures of $40 millions. Included in the program are: completion of the 195,000 hp generating station at Shawinigan Falls, preliminary construction work on the Trenche development on the Upper St. Maurice River and further extension to the system. A total of $10,813,000 was spent in 1947, comprising $4,397,000 for the new generating station at Shawinigan Falls; $5,040,000 for extensions to the distribution and transmission systems and the remainder for various additions to the plant and equipment. Capital expenditures are being financed there from $20 millions raised in sales of 400,000 4% $50 par preferred in 1947.

Gross 1947 operating revenue totaled $22,670,756 ($21,168,787 in 1946). Net profit was $3,948,308, equal to $9.87 on the new 400,000 preferred outstanding and $0.63 on common in 1947 ($3,192,126 and $1.47 per common in 1946). Working capital increased to $21,233,080, up from $8,998,023.

Sales of the subsidiary, Shawinigan Chemicals, were up 16% from 1946. Net profits of the subsidiary were $1,280,325 and dividends at the rate of $2.50 a share, or a total of $703,188, were paid to the parent company. Capital expenditures of this subsidiary in 1948 are expected to be financed out of present funds and earnings.

President James Wilson states that further reductions in electric power rates are not possible under present conditions. Costs of producing, transmitting and delivering electric energy have increased greatly, he said, adding that the average price per kilowatt-hour received for all energy sold by Shawinigan is lower than those of any comparable system on the continent.

St. Maurice Power

St. Maurice Power Corp. owns a hydro-electric generating plant at La Tuque on the St. Maurice River, Que. The company is jointly controlled by the Shawinigan Water & Power Co. and Brown Corp., and under a contract extending at least to Nov. 1, 1970, Shawinigan Water & Power Co. is operating the generating plant at the expense of the corporation as part of the Shawinigan Water & Power system on the St. Maurice River.

The generating plant has installed turbine capacity of 222,500 hp, of which 178,000 hp came into operation in 1940 and 44,500 hp in 1943. The plant is so constructed to accommodate another unit of 44,500 hp, but installation of this unit is not presently contemplated. All energy produced is consumed by Shawinigan Water & Power Co. and Brown Corp.

In common with all other power plants on the St. Maurice River the hydro-electric generating plant plant of the corporation derives benefits from the river flow regulations effected by the Quebec Streams Commission through its operation of the Gouin reservoir at La Loutre on the upper St. Maurice River. The river flow is reported to be one of the best regulated in Canada and offers exceptionally favorable conditions for power development.

Gross revenue in 1946 (latest figures available) totaled $1,695,787 as against $1,610,928 in 1945. After deducting operating expenses, depreciation, bond interest, interest on bills and providing for income taxes, the 1946 profit was $147,334 ($120,396). Working capital was $307,652 at Dec. 31, 1946 ($840,653 at end of 1945).

Saguenay Power

Saguenay Power Co., a subsidiary of Aluminium Ltd., operates one of the largest power developments in Canada, serving industrial users in the districts surrounding Lake St. John and the Saguenay River districts. Chief customers are Aluminum Co. of Canada, Shawinigan Water & Power Co., and Price Bros. & Co.

The company's subsidiaries are: Saguenay Electric Co., distributors of electrical energy and serving some 52 communities in Quebec; Saguenay Transmission Co., transmitting power from generating stations of the parent company to its destination, excepting that supplied to Price Bros. and Shawinigan Water & Power; Alma & Jonquieres Railway Co., operating a standard gauge steam railway from Isle Maligne plant of Saguenany Power to Saguenay Power Junction.

Net 1947 profit of Saguenay Power totaled $4,254,271 ($4,135,148 in 1946). Net profit of $1,497,305 compared with $1,185,582. Total operating revenue in 1947 was $6,980,099, off from $7,453,636. Power purchased dropped from $2,085,884 to $1,341,375. An appropriation of $181,325 was made through surplus account for the purchase for cancellation of 1,731 preferred shares. The amount was transferred to capital surplus.

The Isle Maligne plant of Saguenay Power Co. has 12 units of 45,000 hp each, bringing installed power up to 540,000 hp. The company uses Lake St. John, which has 400 square miles of surface area and 30,000 of drainage area, as storage reservoir, and by equalizing the stream flow throughout the year, is able to operate at a high rate at all times.

A RECORD OF STABILITY EXCEEDING ALL OTHERS

Full particulars covering recommended offerings of the securities of Canadian public utility companies will be furnished on request.

HYDRO-ELECTRIC POWER is an ever-increasing public necessity, and ranks in the forefront of all primary utilities required for our present standard of living.

This is particularly true in Ontario, Quebec and British Columbia which have become the great manufacturing areas of Canada as a result of low-cost hydro-electric power.

Because of its essential nature, the hydro-electric power industry in these three provinces has had phenomenal growth since prior to the First World War.

Consumption of power has tripled since the boom year of 1929, and supply has only been able to equal the ever-growing demand through the far-sighted continuous expansion of producing facilities.

DOMINION SECURITIES CORPN. LIMITED
Established 1901
TORONTO MONTREAL OTTAWA WINNIPEG VANCOUVER NEW YORK LONDON, ENGLAND
LONDON HAMILTON KITCHENER QUEBEC HALIFAX SAINT JOHN

Record 'Phone Year In British Columbia Despite Shortages

Although the telephone industry was still handicapped by shortages of material and equipment, 1947 was a record year for the B. C. Telephone Company and associated companies in B. C.

Achievements listed at the end of 12 months include: More telephones in our system than ever before — 201,102 on January 1, 1948; greatest increase in telephone total in single year — 20,276; highest average number of local telephone calls per business day during year — over 1,194,000; highest total number of long-distance calls handled in single year — 5,322,265..

BRITISH COLUMBIA TELEPHONE COMPANY

UNDERGROUND CONDUIT
and
POLE-LINE INSTALLATIONS
for
Telephone - Power - Ornamental Lighting
Airport - Highway and Traffic Signals
PAR-TEX FOUNDATION CO. LIMITED
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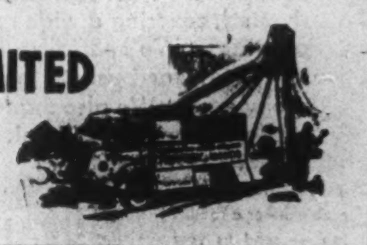

Bryson hydro-electric plant on the Ottawa River, 50 miles above the City of Hull, is interconnected through high tension transmission lines with the Chaudiere and Gatineau plants. It is expected that the third unit of 27,000 h.p. will be in service late in 1949, alongside of the two existing 25,000 h.p. units.

It is one of the 18 plants of the Gatineau system, which has a total installed capacity of 749,634 h.p.

GATINEAU POWER COMPANY
OTTAWA CANADA

MANUFACTURERS

ADVANTAGES OF PLANT DECENTRALIZATION

CHEAPER LAND in smaller communities avoids congestion of buildings — provides more open space for air and light — provides lower cost housing for employees.

LOWER TAXATION — on lower priced property.

IMPROVED LABOUR and WORKING CONDITIONS. Employ your help in their local communities where they live under less crowded conditions — are within easy reach of their job — have homes and land for gardens — recreation — and social intercourse with families and friends, and lead happier and more contented lives.

SOUTHERN CANADA POWER

Company **Limited**

serves scores of communities in which conditions are ideal for efficient and low cost factory production.

For information ask:
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Southern Canada Power Co. Ltd.,
355 St. James Street West,
Montreal 1, Que.

BRITISH DOMINION OIL & DEVELOPMENT CORP. advises that Dunlo Investors has underwritten 100,000 shares at 20 cents a share, payable forthwith and optioned 100,000 shares at 20 cents, 200,000 at 25, 200,000 at 30 and 100,000 shares at 35 cents, exercisable to extent of at least 100,000 shares each month. Upon issue of 100,000 shares underwritten issued capital will be 3.9 million shares.

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If you have a special problem—or a routine job — send us your specifications. We can help you.

48 ABELL ST., TORONTO 3.

PLATE AND STRUCTURAL STEEL SALES LTD

Telephone Installations Backlog Still Mounting

(Continued from page 22)

increased from $1,178,160 to $1,630,305.

The company is applying to the Province of Nova Scotia for legislation increasing the authorized capital from $7.5 millions to $15 millions for purpose of permitting the company to raise additional finances in the future.

Northern Tel.

Northern Telephone Co. operates a telephone system in 32 centres in Northern Ontario and Northwestern Quebec with 24,211 telephones in use at Dec. 31, 1947, a net increase of 1,440 during the year.

New exchanges were opened at Virginiatown and Connaught and the work was done for a new exchange at Moonbeam, where service was commenced in January, 1948. Virginiatown is a rapidly growing community and a new modern battery switchboard was installed there as formerly many subscribers were connected to Larder Lake exchange on party lines. Under existing conditions, installations of new telephones are limited at Timmins, Noranda-Rouyn, Kapuskasing and Amos where many applications for telephones are on file. Additional switchboard equipment is on order for all these exchanges and effort is being made to obtain delivery and install them this year.

Gross 1947 earnings totalled $965,074 ($896,685 in 1946). After charging operating expenses, depreciation, interest on notes and income tax, the net 1947 profit was $62,418 or 13 cents per share (net profit $79,830 or 16.7 cents a share in 1946). Working capital was $81,673 at Dec. 31, 1947, ($137,293).

N.B. Telephone Co.

New Brunswick Telephone Co. owns and operates the telephone system covering the province and connecting with the telephone systems in the adjoining provinces. The company owns nearly all buildings used as central offices as well as its head office building which, along with plant and general equipment, are valued at $13.5 millions.

Construction program carried out in 1947 resulted in capital additions totalling $2,716,459. A new building at Fredericton was completed and dial equipment is being installed. A new building was completed in Florenceville and an extension to the central office building in Saint John is under way. Twenty-two additional circuits were placed in service in 1947.

Capital stock was increased from $8 millions to $14 millions in June, 1947, to cover heavy capital expenditures during the year, as well as those contemplated. An offering of 191,397 shares was made to shareholders on the basis of one new share for each four shares held at $10 per share and 189,229 shares were subscribed and paid for under the offering.

Long distance messages reached an all-time high of 2,270,157 during 1947, an increase of 7.37% over the 2,114,176 calls in 1946. Total number of telephones in service at Dec. 31, 1947, was 52,426, an increase of 5,292 over the previous year. Deferred applications for telephones rose 825 to 5,526 at Dec. 31, 1947. Gross revenue increased 7.7% to $3,235,436. Local service revenue was 9.6% higher and long distance revenue 4.3% higher than in 1946. Net profit for 1947 was $426,673 ($444,377 in 1946). Operating expenses amounted to $2,470,568, an increase of $309,403 or 14.3% over 1946, as a result of a larger number of employees, shorter hours of work, upward adjustment of wages, substantially higher costs of materials, and abnormal repairs resulting from storm damage. Earnings per share in 1947 were 56c, based on 765,589 shares as against 69c on 639,456 shares in 1946.

Okanagan Tel.

Okanagan Telephone Co. and its subsidiaries supply local and long distance telephone service in the Okanagan Valley and adjoining territory in British Columbia including: Revelstoke, Salmon Arm, Enderby, Armstrong, Vernon, Coldstream, Lumby, Oyama, Kelowna, Peachland, Summerland and Penticton. It services a population of approximately 45,000. The company is a subsidiary of Okanagan Valley Telephone Co., a holding concern, which owns all the outstanding common shares.

The telephone system includes 728 miles of pole line and 14,022 circuit miles of wire. There are nine exchanges and more than 9,750 stations. The company owns all the buildings in which the exchanges are operated. The system is connected with the British Columbia Telephone Co. system and through it, with the Trans-Canada Telephone system, is in a position to supply subscribers with service to all points in Canada and foreign countries reached by the Bell system. Subsidiaries are: Solar Telephones Ltd. and Summerland Telephone Co.

Gross revenue for the six months ended Dec. 31, 1947, totalled $215,066. After charging operating expenses, interest, depreciation, taxes and amortization of funded debt, the net profit was $34,971. The net profit in year ended June 30, 1947, was $53,812 as against $37,385 in the previous fiscal year.

A refunding issue of $750,000 3¾% first mortgage sinking fund bonds, series A, due Feb. 1, 1968, were sold in February, 1948. Proceeds of the sale are to be used in repaying indebtedness incurred to retire the $302,500 outstanding 4½% first mortgage and collateral trust serial bonds on Dec. 1, 1947, to redeem $265,000 outstanding 4½% debentures at 100 and accrued interest and to provide funds for capital expenditures.

The pro forma consolidated balance sheet at Dec. 31, 1947, showed assets of $235,413 and current liabilities $82,857. Funded debt comprised the $750,000 3¾% sinking fund bonds and outstanding capital was represented by 4,674 shares valued at $467,400. Consolidated earned surplus at that date was $124,960.

Okanagan Val. Tel.

Okanagan Valley Telephone Co. operates as a holding company owning all the outstanding common shares of Okanagan Telephone Co. It was formed in 1947 to permit the transfer of ownership of Okanagan Telephone Co. to preferred shareholders of West Canadian Hydro-Electric Corp. under a plan of reorganization of the latter company. Through Okanagan Telephone and its subsidiaries this holding company supplies telephone service for the Okanagan Valley and district.

Okanagan Valley Telephone Co. has no funded debt but there are outstanding $750,000 3¾% first mortgage sinking fund, Series A bonds of Okanagan Telephone Co. The pro forma consolidated balance sheet of the holding company showed total assets of $2,061,052 at June 30, 1947. Current assets were $262,644 and current liabilities $97,800.

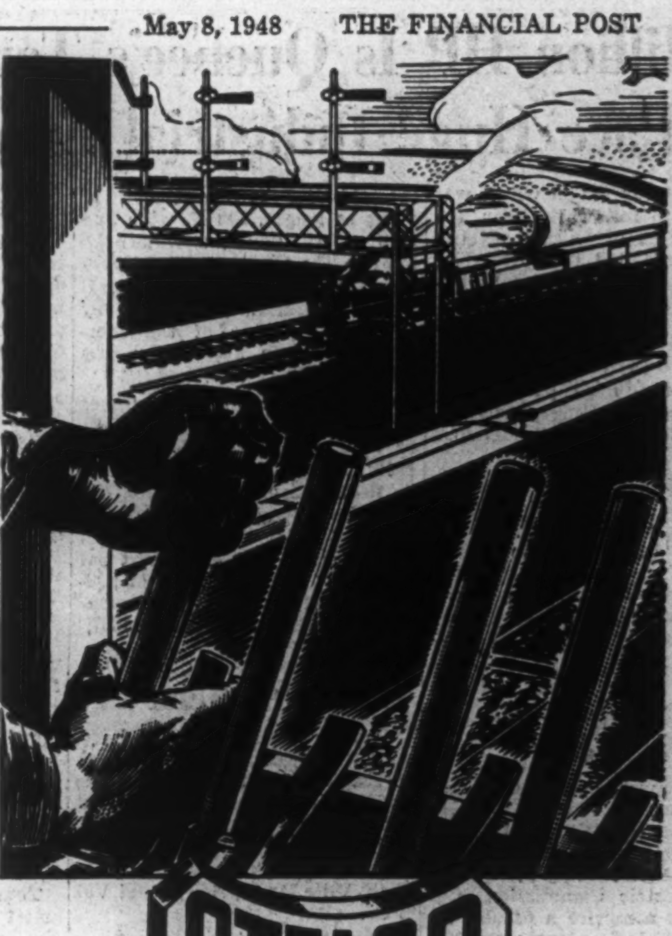
Que. Tel. Corp.

Quebec Telephone Corp. (formerly Quebec Telephone and Power Corp) conducts a telephone business serving a population of some 375,000 persons in southeastern Quebec province.

The telephone system operates 54 central exchanges and the lines have connections with the Bell Telephone Co., the New Brunswick Telephone Co. and other independent companies by which service is given in Canada and the United States.

There was an increase of 1,381 telephones connected to the corporation's system in 1946, and 981 in the first four months of 1947, with more than 1,000 deferred applications for service at that date. Installed telephones totalled 9,300 at May 31, 1947. In the summer of 1947 the company sold $1.2 millions of 3½% first mortgage bonds. Proceeds from the sale were used to redeem the then outstanding $484,000 series A and B first mortgage and collateral trust bonds and to reimburse the company for past expenditures for extensions and additions to its telephone system and to provide funds for future capital expenditures. Net earnings totalled $80,515 in the five months ended May 31, 1947. After depreciation of $25,301, bond interest of $8,008 and taxes of $22,232, net profit was $24,974. Total revenue was $550,377 in twelve months ended Dec. 31, 1946, as against $453,150 in the same period of 1945. The 1946 profit was $54,907 ($24,305 in 1945).

Quebec Telephone Corp., purchased all the assets and undertakings of its two former subsidiaries, La Compagnie de Telephone Nationale and La Compagnie de Telephone Portneuf et Champlain.



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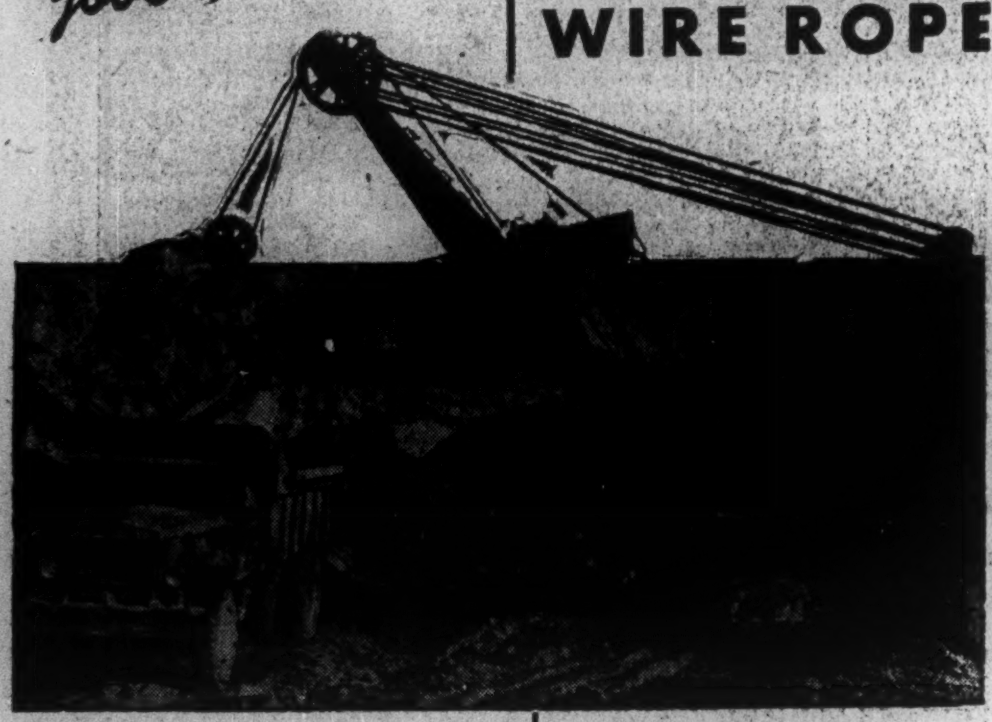

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Currency Problems Delay Recovery Of Foreign Operating Subsidiaries

Canadian holding companies which hold substantial interests in foreign operating subsidiaries were again faced with unsettled conditions throughout 1947.

Companies which felt the full brunt of the World War II are experiencing considerable difficulty in getting back to anything like normal operations. Companies operating electrical utilities in France have been nationalized. Foreign Power Securities Corp. has made representations to obtain a more equitable settlement based on intrinsic values and payment convertible into Canadian dollars at the average rate of exchange prevailing during "the standard period," but decision is still pending.

Difficulties experienced in converting foreign currencies continue to be a factor for these companies, and make it difficult to determine just what might be expected from foreign operating companies in the future.

Foreign Power Securities Corp.

Foreign Power Securities Corp. chief holdings are in securities of hydro-electric and public utility companies operating in France. It is affiliated with Power Corp. of Canada.

Companies in which Foreign Power Securities is interested operated 77 hydro-electric plants and 27 steam plants with total installed capacity 557,600 h.p. and had undeveloped power sites estimated capable of producing a further 520,390 h.p. Following the end of the war the company was advised that its holdings in France were intact, but in 1946 the Government of France nationalized public utility companies.

Interim dividends were declared by most of the companies in France in which Foreign Power Securities is interested, amounting to 9,634,695 francs in year ended Oct. 31, 1947. These dividends were derived from payments by the French Government on account of the interest on the nationalization bonds, none of which have yet been issued. In common with other foreign shareholders, it was felt that to accept these dividends might be construed as an abandonment of the company's claim to be paid for its securities in cash instead of in bonds, President A. J. Nesbitt stated in the 1947 annual report, and the dividends were therefore refused.

Dividends and interest from investments in the fiscal year ended Oct. 31, 1947, totaled $38,955 ($73,155 in 1946).

Bond interest payments in arrears since June 1, 1940, will remain unpaid until the outcome of the settlement with the French Government. As at June 1, 1947, arrears amounted to $758,025.

H. E. Securities

Hydro-Electric Securities Corp. is an investment trust of the management type, specializing in securities of public utilities in various countries. Other investments include a number of gold mining and miscellaneous industrial securities.

On the basis of quoted market values the company's investments at Dec. 31, 1946, were summarized as follows: U. S., British and other government bonds and notes, $3,000,451; U. S. public utilities bonds, preferred and common shares, $3,891,488; U. S. industrial, preferred and common shares, $5,091,345; British industrials, oil and rubber common shares, $2,531,685; gold and base metal mine shares (quoted in sterling), $992,348; other bonds and shares, $1,588,923; total $17,096,234.

Gross 1946 income totalled $774,957 ($568,113 in 1945). Net profit was $620,567, or 94c per class B share and 20c per common share in 1946, against net profit of $525,692, or 80c per class B and 13c per common share in 1945.

H. E. Bond & Share

Hydro-Electric Bond and Share, formed under Quebec laws in 1927, operates as an investment trust and public utility holding company. The principle of the business is in the investment of its resources in revenue-bearing securities of public utility corporations, which operate or control essential public services in populous districts and are sufficiently widely distributed geographically to offer diversification of securities.

Capitalization at Jan. 1, 1945 (latest figures available) consisted of 600,000 n.p.v. shares authorized and 200,000 shares issued. Funded debt comprised an authorized issue of $12 millions in income debentures, due 1967, $1,940,000 outstanding at last report.

Int. Hydro-Electric

International Hydro - Electric System, a Massachusetts voluntary association, acts as a holding company for power-producing and distributing companies, and through its subsidiaries, the system controls one of the largest groups of hydro-electric properties in the world. The chief subsidiaries are the Gatineau Power Co.; the New England Electric System (formerly New England Power Association); Eastern New York Power Corp.

Liquidation and dissolution of the system were ordered by the SEC and for this purpose the court on Oct. 11, 1943, took over exclusive jurisdiction of the System's affairs and on Nov. 13, 1944, appointed B. A. Brickley, trustee, with authority to operate the System's business until further order.

With consummation of New England's plan of simplification and refinancing of its debt, the refinancing of Gatineau's funded debt, the reorganization of the principal New York subsidiaries into Eastern New York Power Corp. and refinancing of its debt, and receipt of the $10 millions cash settlement of claims against International Paper Co., all major steps toward marshalling the principal assets of the System have been accomplished.

The principal assets of the System at June 30, 1947, were:

Company	No. of Shs.	Vot. Pwr.
Gatineau Power Co.:		
Com. n.p.v..	1,439,024	86.56%
East N. Y. Pr. Corp.:		
Com., $25 par	320,000	100%
Corinth Elec. L. & P. Co.		
Cap. $100 par	250	100%
New Eng. Elec. Sys.:		
Com., n.p.v.	534,157	7.9%
Moreau Mfg. Co.*:		
Com., n.p.v.	842	33.33%

*There are also $314,500 open account advances of Moreau Mfg. Co.

Four plans for liquidation of the System were presented before the SEC on Oct. 28, 1947, and early in November two additional plans were filed. Later in December, 1947, the trustee for the System filed an amended plan

The April, 1948, semi-annual interest payment of $557,928 on the System's 6% debentures was approved by the U. S. District Court and the Securities Exchange Commission had no objection to the payment.

Income of International Hydro-Electric System is derived principally in the form of dividends and interest from subsidiaries. Total net income in 1946 was $1,601,904 as against $1,546,617 in 1945. Net loss for the year, after charging expenses, taxes and debenture interest, was $158,920 as against net loss of $239,264 in 1945.

Int. Power Co.

As a public utility holding company, International Power Co. controls public utility properties in operation for many years in Bolivia, British Guiana, Newfoundland, Salvador and Venezuela. Subsidiaries operate public and private lighting, power, tramways and telephone services in 55 communities, all served without competition.

Consolidated gross earnings of the company's subsidiaries amounted to $6,041,621 in 1946 (latest figures available) as compared with $5,953,992 in 1945. Consolidated net income available to International Power Co. for 1946 was $1,728,237, off from $1,872,154 in 1945. Consolidated net profit declined to $1,319,327 from $1,768,802. Working capital at $4,454,366 was off from $6,964,855.

Capital stock changes approved by shareholders Nov. 19, 1947, provided for the redemption on Jan. 9, 1948, of 80,000 shares of outstanding 6% preferred $50 par at 103% and accrued interest, with holders being given the right to convert at least one half of their holdings into the 5% preferred $25 par of which 120,000 are authorized and 80,000 shares issued and outstanding. During 1946 the 7% preferred was redeemed and the 6% preferred issued under conditions comparable to those of 1947.

Jamaica Public Service

Jamaica Public Service Ltd., through its subsidiaries, supplies electric light and power service to Kingston and St. Andrew, Jamaica, and to the surrounding districts. Transportation service is also furnished in these communities.

The direct and indirect subsidiaries are: Jamaica Public Service Co., supplying electric light and power service in Kingston, St. Andrew, Spanish-Town, Bog Walk, Linstead, Old Harbour and to other communities, as well as operating the tramway system in Kingston and St. Andrew; Jamaica Hydro-Electric Co., owning land and undeveloped water power on White River; St. James Utilities Ltd., operates electric light and power and ice business in Montego Bay and Port Antonio, Jamaica.

The power plants generated 50,630,400 kwh in 1947 and served 22,148 customers as against 45,282,400 kwh and 20,095 customers in 1946. The tramways carried 10,647,200 passengers in 1947 and 11,422,300 passengers in 1946.

Total operating revenues in 1947 were $2,071,642, or $220,889 (12%) greater than the previous year. Net earnings of $717,345 compared with $683,503 in 1946 and net profit of $356,423 compared with $336,872 in 1946.

Nfld. Light & Power

Newfoundland Light & Power Co., a subsidiary of International Power Co., which holds over 99% of the common stock, owns and operates electric lighting, power and tramway service of St. John's, Nfld., serving a population of approximately 50,000.

The company's power is supplied from its hydro-electric stations at Petty Harbour, Pierre's Brook, Tors Cove and Rocky Pond with total installed turbine capacity of 22,000 hp. It holds exclusive franchise to operate street railway in the city of St. John's. The

Gross earnings in 1945, the last

(Continued on page 33)

Frigidaire installed these three oil-fired, type G Babcock "Integral-Furnace" Boilers. Total capacity 49,000 lbs. per hour; 125 lbs. pressure of saturated steam.

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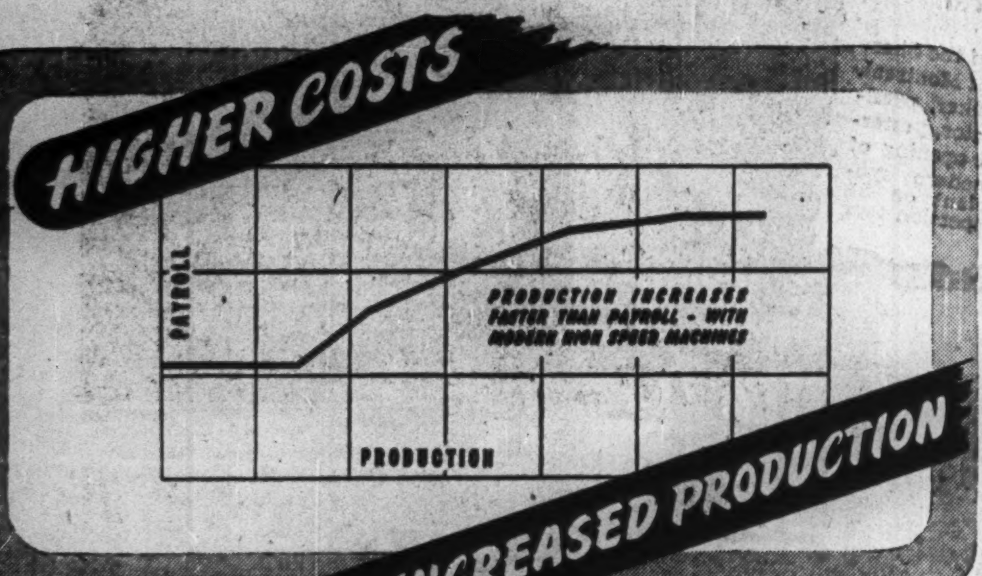
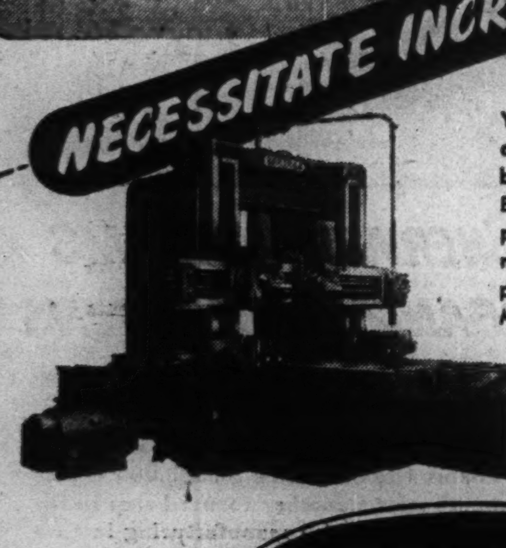


NECESSITATE INCREASED PRODUCTION



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In addition to serving the City of Halifax with electric energy, gas and transportation, the Company either directly or through its wholly-owned subsidiaries supplies electric service in eleven of the fourteen mainland counties of Nova Scotia.

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They've been good years

This is Shawinigan's Fiftieth Anniversary, the year that marks half a century of serving the people and industries of Quebec Province.

On the whole, they were good years, years of determination and of belief in the future, years of facing problems and of overcoming them, years of growth and prosperity for the Province of Quebec, its people and its great family of industries—to which Shawinigan proudly belongs.

On this fiftieth birthday Shawinigan looks back on its years of service to the public—service which speaks of a job well done. No similar area on this continent has enjoyed better, more economical or more dependable electrical utility services than those supplied to the people and industries of this Province by The Shawinigan Water and Power Company.

It is Shawinigan's earnest hope, a hope that will call forth our every effort, that the years to come will be distinguished by the same progress that has made the past fifty years the good years that they've been.

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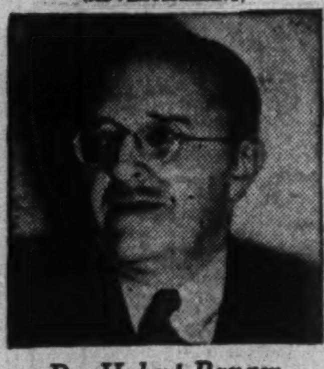

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Canadian investment interest in public utility companies operating outside Canada is quite extensive. It covers interests in tramway, electric light and power, gas, water and telephone businesses serving the cities of Rio de Janeiro, Sao Paulo and Santos in Brazil; telephone companies operating in the Dominican Republic, the Philippines and South America; power companies in Mexico; equipment-manufacturing companies in Belgium and Italy; hydro-electric power and bituminous gas companies in Spain; besides controlling investments in utility companies operating in the United States.

During the war these foreign investments brought problems connected with the occupation of the territory by the enemy in such areas as the Philippines, Belgium and Italy.

A claim has been lodged for about $7.5 millions for war loss or damage under The Philippine Rehabilitation Act in the United States on behalf of the Philippine Long Distance Telephone Co. Settlement is not expected for some time. Service has been restored on a limited scale, mainly confined to the city of Manila.

Anglo-Can. Tel.

Anglo-Canadian Telephone Co. is a holding concern with investments in companies which own and operate telephone systems in British Columbia, the Dominican Republic and the Philippine Islands. It is a subsidiary of Associated Telephone & Telegraph Co.

The subsidiaries are: British Columbia Telephone Co., Chilliwack Telephones Ltd., Kootenay Telephone Co., Mission Telephone Co., and North-west Telephone Co., which operate telephone systems in the province of British Columbia; Dominion Directory Co., operated in connection with B.C. Telephone Co. and Canadian (B.C.) Telephone & Supplies, a sales company.

The company also owns all ordinary and loan capital of Compania Dominicana de Telefonos, C. por A, which operates a telephone system in the Dominican Republic, as well as directly and through certain of the above-mentioned subsidiaries, owns the entire outstanding capital stock of Telephone Securities Ltd.

Anglo-Canadian Telephone Co. owns or controls through its subsidiary, Telephone Securities Ltd., 24,019 of the 70,571 shares of Philippine Long Distance Telephone Co.

The above subsidiaries operate over 195,000 telephone stations (exclusive of those in the Philippine Islands) and serve a population in excess of 3.5 million, including the metropolitan areas of Vancouver and Victoria, Ciudad Trujillo and Santiago in the Dominican Republic. Net 1947 profit of Anglo-Canadian totalled $615,340, equal to $5.59 on the 4½% preferred and 78c on the class A shares and 13c after participation on the deferred shares. The 1946 profit was $549,793, or $5.50 on the 4½%, 66c on the class A and 5c per share on the deferred.

The company sold $750,000 4½% preferred shares at $47.50 a share in April, 1948. The company's subsidiary, British Columbia Telephone Co., plans making application to the Board of Transport Commissioners for permission to issue additional shares of ordinary stock.

Assoc. T. & T.

Associated Telephone & Telegraph Co. is a holding concern controlling directly and indirectly telephone operating companies, telephone equipment, manufacturing and sales companies and other organizations doing a related business.

Through its subsidiaries, the company operates telephone systems in British Columbia, Dominican Republic, Colombia, S.A. and the Philippines.

Associated Telephone & Telegraph Co. holds substantial interests in Anglo-Canadian Telephone Co.; British Columbia Telephone Co.; Chilliwack Telephone Ltd.; Colombia Companies: Automatic Electric Co.; Phillips Electrical Works and others. The company through its many subsidiaries holds a large interest in Philippine Long Distance Telephone Co.

The 1946 profits of the American and Canadian manufacturing companies did not fulfill expectations due to partial shut-down of the American factory in the early part of the year at the time of the steel strike, a seven-week shut-down of the Canadian factory and material shortages in the United States and Canada. The backlog of unfilled orders for telephone equipment still continues high and both companies operated at good levels in 1947. Net earnings of Associated Telephone & Telegraph Co. amounted to $447,113 in the six months ended June 30, 1947. Net income in that period was $115,586.

Barcelona Trac.

Barcelona Traction, Light & Power Co., through its subsidiaries, is engaged in the manufacture, distribution and sale of hydro-electric power and bituminous gas for commercial and domestic purposes in northern and eastern Spain. The company has two producing subsidiaries and a group of distributing and selling subsidiaries which operate throughout the province of Cataluna. A bankruptcy finding against the company by a Spanish judge in the provincial town of Reus, Spain, in February, 1948, is regarded by the company as unwarranted and an endeavor to obstruct the enterprise and to procure control.

Earnings of the operating subsidiaries are reported more than adequate to meet all arrears and current interest charges of Barcelona Traction, Light & Power Co. Payment of interest has been held up due to the refusal of the Spanish government to permit pesetas to be exchanged for sterling to meet obligations in that currency. The British Embassy and the Belgian government are investigating the situation.

Barcelona Traction, Light & Power Co. net revenue in 1946 totaled $3,954,480 as against $3,973,349 in 1945. After deducting bond interest of $1,294,053 (of which $943,474 was charged but not paid) and miscellaneous charges of $185,482, the 1946 net profit was $2,374,945. The net 1945 profit was $2,613,667, after charging $1,359,682 in bond interest (of which $989,144 was charged but not paid).

The funded debt of Barcelona Traction, Light & Power Co. at Dec. 31, 1946, comprised: $13,066,513 in 6½% consolidated prior lien bonds and $7,384,750 in interest arrears from June 1, 1936; $7,601,344 in 5½% first mortgage bonds and interest arrears of $2,042,188 from June 1, 1936; $11,953,364 in 6% 45-year bonds. Bond issues in hands of the public and other funded indebtedness of the controlled companies in Spain amounted to $24,073,070 at Dec. 31, 1946.

Brazilian Trac.

Brazilian Traction, Light & Power Co. is a holding company and through its subsidiaries and controlled companies is engaged in tramway, electric light and power, gas, water and telephone businesses, serving the cities of Rio de Janeiro, Sao Paulo, Santos and surrounding districts in southeastern Brazil. Area served covers 342,000 square miles with a population of about 20 millions.

Through its operating companies, Brazilian Traction produces and distributes over 60% of the total power produced in Brazil and supplies approximately 75% of the telephone service in that country.

Consolidated gross earnings in 1947, based on monthly reports, subject to final adjustment, amounted to $92,578,431, an increase of 18.30% over 1946. Net earnings increased to $26,229,657 in 1947, equivalent to approximately $3.72 a share on the ordinary stock. Net profit in 1946 was $23,101,481, or $3.28 per share on ordinary stock.

A loan of $75 millions from the International Bank for reconstruction and development is being negotiated to provide part of the funds for the company's expansion program. A bill to guarantee the loan was before the Brazilian Congress in April, 1948. The company has already commenced a capital expenditure program designed over the next five years to bring its facilities into line with the demand for them and to put the company in a position to maintain the efficiency of its services. Estimated cost of the program, which is on a flexible basis, is approximately $160 millions. Budget for the 1947 program, under the scheme, was $40 millions.

The tramways in Sao Paulo were taken over in July, 1947, by a new national company. In consideration for the assets, Brazilian is to receive approximately $3.2 millions to be paid in cash installments over 48 months, or in stock of the new company.

Power plants of the company had a capacity of over one million hp at Dec. 31, 1947. Practically all installations are hydro-electric. The telephone system had 325,893 telephones in service at Dec. 31, 1946, and 8,268 miles of pole lines. At the end of that year there were 100,000 prospective subscribers awaiting connections.

Brazilian Traction reported an increase of 7.43% to $7,545,618 in gross revenue in Feb., 1948. After deducting gross expenses of $5,626,265, net earnings were 8.91% higher at $1,919,353. Net earnings for the two months ended Feb. 29, 1948, at $4,121,716 were 15.5% greater than the similar period of 1947.

Mexican L & P

Mexican Light & Power Co. controls and operates the lighting and power system in the city of Mexico and the Federal District of Mexico. Operations are also carried on through wholly-owned subsidiary companies, which supply power and distribute light to part of the territory served by the company.

Mexican Light & Power commenced construction of a new 25,000 kw unit at Nonoalca in 1947 and the Federal Commission of Electricity is adding a 27,900 kw unit at Ixtapantongo. The addition of the units still leaves the company without reserve power to meet emergencies. Additional units have been ordered for the Necaxa and Lerma hydraulic plants and the Federal Commission of Electricity is developing a new hydraulic plant at Santa Barbara which is an extension of the Ixtapantongo project. These facilities are not expected to be ready until some time in 1949, at which time the capacity will almost immediately be absorbed.

Electric energy generated at the plants of the company and its subsidiaries, including power purchased, amounted to 1,472,710,672 kwh in 1946, up from 1,291,381,924 kwh in 1945. During that year the company expended $2,943,021 for completion of works in progress at end of the previous year and other construction work completed or in progress during 1946. Gross earnings exceeded those of 1945 by approximately $2.6 millions. Surplus for 1946, after charging depreciation, bond interest, was $395,503 as against $589,196 in 1945. Gross earnings in the 11 months ended Nov. 30, 1947, totaled $18,151,164 ($16,641,820 in similar period of 1946). Net earnings were $597,551 as against $592,413.

Telephone Sec.

Telephone Securities Ltd. is a holding company owning 24,019 shares of the outstanding 70,571 shares of Philippine Long Distance Co.

The subsidiary, prior to the war, operated some 30,000 telephone stations in the Philippine Islands, but property suffered severe damage during the war and a claim has been filed for approximately $7,520,000 for war loss or damage under the Philippine Rehabilitation Act. It is expected that settlement will not be made for some time and the eventual realization of a Philippine company on its claim cannot presently be foretold. Shortages of material and supplies, both in Manila and in the United States, have made reconstruction of the telephone plant difficult and most of the building has so far been confined to the city of Manila.

Anglo-Canadian Telephone Co., the senior corporation, through certain of its subsidiaries owns the entire outstanding capital stock of Telephone Securities Ltd.

Twin City Rapid Transit

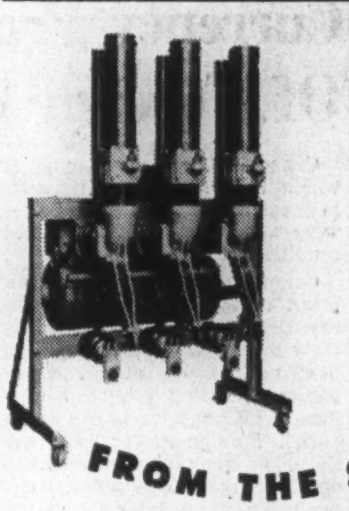
Twin City Rapid Transit Co. owns through operating subsidiaries the entire street railway systems in Minneapolis, St. Paul and vicinity as well as bus lines and certain suburban railway lines in the vicinity. Total mileage of the lines reduced to single track is approximately 445 miles.

The year 1947 marked the beginning of an anticipated downward trend in number of passengers carried, President D. J. Strouse stated in the annual report. Total revenue passengers were 198,921,195, or 1.29% less than the number handled in 1946 when the company experienced a peak in passenger traffic resulting from wartime restrictions and curtailment in the use of private automobiles. The high levels of industrial employment and business activity experienced in 1947 have served to mitigate the decrease which would normally have resulted in passenger haul with the cessation of wartime restrictions, Mr. Strouse adds.

Ninety new street cars and 115 new motor buses have been placed in service since the recent inauguration of the company's modernization plan.

Additions to property and plant totaled $2,569,877 in 1947, of which practically the entire amount was accounted for by expenditures for new street cars, buses and power equipment.

Total operating revenue in 1947 was $16,680,823 ($16,320,684 in 1946). Net 1947 profit of $355,009 was equal to $4.15 on the 5% prior preferred and 62c on the common against $1,203,276, or $14.07 and $4.19, respectively.



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Brown Boveri Air Blast Circuit Breakers, thoroughly tested, have proven themselves under the most severe service conditions.

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Interrupting capacity from 1,000 to 3,500 mv-a.

CB-1

BROWN BOVERI POWER EQUIPMENT

BROWN, BOVERI (CANADA) LIMITED MONTREAL

The year was 1841 ...

: : : six days of turmoil—that was election week in Upper Canada! Voters formed in long queues to mount the "hustings" (a rough wooden platform) : : : declaring aloud for all to hear, "I vote for John Smith." Often groups of hard-fisted toughs stood by, armed with cudgels to be used on those who voted the "wrong way."

But men who kept true democracy as their objective finally won the right of a secret ballot—the right to vote *as you wish* without fear of intimidation.

When YOU cast your secret ballot at every election—municipal, provincial, federal—you exercise a duty and privilege planned, worked and fought for by your forefathers. Your vote protects the future of your children. To fail in this duty is to be less than a good citizen.

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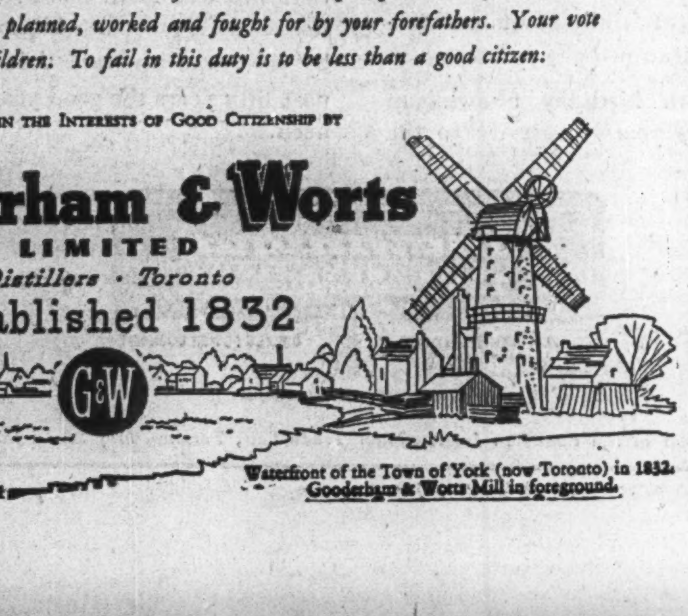

Waterfront of the Town of York (now Toronto) in 1832. Gooderham & Worts Mill in foreground.

MAKING NEW HISTORY in the PAINT INDUSTRY!

BIG VARNISH PLANT TOURED AT OPENING

Sherwin-Williams Company Premises One of Most Modern in World

Directors and officers of the Sherwin-Williams Company of Montreal, headed by D. A. Whittaker, president and managing director, yesterday marked the official opening of the company's ultra-modern synthetic resin varnish plant on St. Patrick street by an inspection tour of the new plant.

SHERWIN-WILLIAMS ORGANIZATION OPENS NEW "DYALS"* PLANT

With the opening of the new "Dyals" Plant in Montreal, new and improved finishes for automobiles, 'planes, furniture, machinery and other industrial, maintenance and household uses will soon be produced in million gallons per year quantities.

These new finishes will have greater durability — longer life, greater flexibility, and greater toughness to withstand and give protection against all conditions of wear and weather.

The new "Dyals" Plant, an integral part of the Sherwin-Williams Organization's $2,500,000 expansion programme marks another forward step in the history of paint and varnish manufacturing in Canada,—a programme from which the many customers of the Canada Paint Company, Lowe Brothers Company, The Martin-Senour Company and The Sherwin-Williams Company will benefit.

*DYALS A creation of twentieth century chemists and paint research scientists. "Dyals" is the registered name of a group of scientifically processed synthetic compounds for use in modern industrial maintenance and household finishes.

THE CANADA PAINT CO. LIMITED · THE LOWE BROTHERS COMPANY LIMITED · THE MARTIN-SENOUR CO. LIMITED · THE SHERWIN-WILLIAMS CO. OF CANADA LIMITED

B. C. Canada's Greatest Storehouse Of Undeveloped Waterpower Resources

Electric power is the backbone of industry and British Columbia has lots of it, known and unknown.

Canada's most westerly province has the greatest potential undeveloped waterpower resources in Canada, perhaps on this continent.

And when it comes to known potential, B. C. takes second place only to Quebec. Latest DBS estimate shows that available waterpower resources amount to 7 million hp at ordinary minimum flow and 10.9 million at ordinary six months' flow. (Quebec: 13 million at minimum flow; 8.5 million at six months.)

At the present time, B.C. is developing about 900,000 hp. This will be increased substantially when developments now under way and projected, are complete. To meet the increasing demand for power and to be ready for the industrial development now going on, B. C. is engaged on a vast, $80 million program of power expansion: $50 millions by the privately owned B. C. Electric Co. and $30 millions by the government-owned B. C. Power Commission.

At present B. C.'s 900,000 hp is being used this way: 600,000 hp in the central area for commercial and domestic use; the rest in pulp and paper mills, mines and sawmills. Electric power consumption in 1947 reached a new high: 2.9 million kwh. Rates were as low as half a cent per kwh.

B. C. Electric Rwy.

British Columbia Electric Railway Co. is a subsidiary of British Columbia Electric Co. The company and its subsidiaries operate 290 miles of electric railway lines of which 127 miles are city car lines and 163 miles are interurban; urban bus services are operated over 214 miles of routes; interurban bus services are operated over 608 miles of routes radiating from the cities of Vancouver and New Westminster to points throughout the lower mainland of British Columbia, as well to Seattle, Wash., where connection is made with transcontinental bus lines.

Motor freight services are operated to numerous points in the Fraser Valley; the equipment includes 527 passenger, express and freight cars, 476 motor buses, 37 motor freight trucks and 15 electric locomotives. Electric light is distributed to the public.

The company's subsidiaries are: The Vancouver, Fraser Valley & Southern Railway Co., Victoria Electric Co., B.C. Motor Transportation, Columbia Estates Co. and others of minor importance.

Transportation improvements made during 1947 included 214 new buses and 42 trolley coaches. The strike from Oct. 20 to Nov. 17 affected revenue but increased rates in Vancouver became effective as from Nov. 30 and the increase within the confines of Vancouver City is expected to result in estimated annual revenue of $1,590,000.

B. C. Electric

British Columbia Electric Co. is a subsidiary of the British Columbia Power Corp. (see above).

The company owns all the outstanding capital stock of Burrard Power Co., Vancouver Power Co., Vancouver Island Power Co., Victoria Gas Co., and Bridge River Power Co., as well as over 99.9% of the issued capital stock of Western Power Co. of Canada. B. C. Electric also owns all the outstanding voting shares of British Columbia Electric Railway Co., which in turn controls Vancouver, Fraser Valley and Southern Railway Co., Victoria Electric Co., B. C. Motor Transportation, Coluumbia Estate Co. and several suubsidiaries of minor importance.

British Columbia Electric Co., with its subsidiaries, controls the most extensive system of public utility services in Western Canada. A group of these subsidiaries generates electrical energy and the company and another subsidiary manufacture and distribute gas. British Columbia Electric Railway Co. distributes the electrical energy to the public and operates electric railways and bus systems in greater Vancouver, Victoria, New Westmenster and other important municipalities in British Columbia. The territory served embraces an area of over 1,500 square miles with a population of about 690,000.

The company or its subsidiaries operate power developments on the Lower Mainland and Vancouver Island with developed capacity (steam and hydro) of 332,016 hp and with estimated ultimate capacity of 987,050 hp.

In 1947 the company and subsidiaries generated 1,050,551,000 kwh of electricity, sold 2,933,244,000 cu. ft. of gas, carried 156,417,000 passengers in its railway and bus services, served 193,891 electrical customers and 63,767 gas customers. The company and a subsidiary own and operate gas plants with a total daily capacity of 16,150,000 cu. ft.

On April 1, 1948, British Columbia Electric Co. offered $17 millions in first mortgage bonds, 3¾% series C at 99 and accrued interest. Proceeds are to be used in the company's current expansion program which calls for an outlay of $20,480,000 in 1948. No definite plans have been made yet as to the method of financing the balance of expenditures required. Other projects to be undertaken this year of approximately $7 millions are proposed to be financed out of general funds of the company and subsidiaries.

The consolidated balance sheet of B. C. Electric at Dec. 31, 1947, disclosed current assets of $10,071,294 and current liabilities of $9,369,311. Bond debt totaled $56,522,624 and comprised $43 millions in series A and series B 3¼% first mortgage bonds of its own and $13,522,624 of 4¼% perpetual consolidated debenture stock of B. C. Electric Railway Co.

B. C. Power Comm.

The operations of the British Columbia Power Commission comprise three essential functions: the production or generation of power, the transmission of power from generating plant to suitable distribution points, the distribution and sale of power to the ultimate consumer. The Commission was operating at Mar. 31, 1947, seven hydro-electric generating stations containing 12 units, two steam plants containing five units and 14 Diesel plants containing 38 units. Combined in 23 generating plants totalling 18,450 kva capacity there are 55 units. All these plants, excepting the one at Smithers, were acquired from former owners, the new plant having been built at Smithers with five others in course of construction.

The Commission's plant locations are: Alert Bay, Barriere, Golden Hope, Kamloops, Nakusp, Nanaimo, Peachland, Port Alberni, Qualicum, Quesnel, Sechelt, Shuswap Falls, Smithers, Terrace, Vanderhoof, West Bank and Williams Lake. The old Diesel plants acquired with the electrical properties at Alert Bay, Golden Hope, Nakusp, Smithers, Vanderhoof and Williams Lake required very close attention because of their condition.

The first major undertaking of the Commission since its appointment in April, 1945, has been the Campbell River power development and the transmission system from the Campbell River plant to Nanaimo and Port Alberni. The company awarded the contract for the construction of Ladore Falls storage-dam which will impound within Campbell Lake sufficient reserve to regulate the water supply for 100,000 kva installed capacity.

The B.C. Power Commission in less than two years has taken over the complete electrical plant and operations of 10 utility companies and one municipality. It has acquired from another company its operation in one area. At March 31, 1947, it was serving 23,030 consumers and during the year added 150 new services per month, the majority of which were in rural areas.

Total revenue of the Commission for the year ended March 31, 1947, amounted to $1,411,835 and comprised $1,362,369 from domestic and commercial light and power service, $39,897 from power for resale, $62 from special power sales and $9,507 of sundry income. Expenditures on operations and maintenance totalled $184,802, power purchased $182,897, transmission and distribution $194,255, administrative and general $242,950, provision for renewals and replacements $165,531; and gross revenue tax $39,762. The operating surplus, before providing for rate stabilization reserve and interest and sinking fund in respect of capital investment, was $401,637. Current assets totalled $2,206,921 and current liabilities $497,292 at March 31, 1947. Advances from the B. C. Government amounted to $9,161,350.

B. C. Power Corp.

British Columbia Power Corp., through direct and indirect subsidiaries, supplies electric power and gas services in most important municipalities in British Columbia and operates electric railway systems and/or bus service in Vancouver, Victoria, New Westminster, North Vancouver and Burnaby, as well as other extensive transportation facilities.

The sole direct subsidiary is British Columbia Electric Co. in which B. C. Power owns all the outstanding Class A and B shares. The subsidiary (see below) in turn controls a large number of units.

British Columbia Power Corp. gross revenue and miscellaneous income at $32,249,083 was $2,279,000 higher than in 1946, but operating expenses mounted in greater proportion. However, after reduced taxes and lower interest charges, the balance available for class A shares was almost the same as in 1946, being equal to $1.98 per A share compared with $1.99 the year before. The consolidated profit and loss account disclosed an increase of nearly $1.2 millions in electric revenue in 1947 to $14,571,728. The rate of growth was actually larger because the 1946 figures included revenues of Kamloops and Central Vancouver Island operations which were disposed of at the end of that year. The growth was particularly impressive in the Fraser Valley which in many respects is becoming virtually a suburban area. During the year 4.889 new customers were connected there and at the year end some 2,100 were awaiting connection. Passenger and freight revenues at $11,409,889 were down $250,000 due to a strike which lasted from Oct. 20 to Nov. 17. Increased rates in Vancouver became effective as from Nov. 30.

The betterment and extension program of the subsidiary, B. C. Electric, was carried forward at a faster rate last year with expenditures increasing to $16,779,195 as compared with $9,155,330 in 1946. Several major projects were finished and placed in service and by the year-end the program as a whole was nearing 50% completion. Transportation improvements included $4,032,109 for 214 new buses and $878,518 for 42 trolley coaches. Electric extensions to connect 13,447 additional customers cost $3,512,194 and gas extensions to serve 1,134 new customers required $499,163.

During the year $17 millions in new funds were provided for construction and capital equipment which was raised in part by 3¼% bonds and in part by 4% preferred shares. Of the $16,779,195 expended, the largest item was $4,880,918 for the Bridge River hydro-electric development, first unit of which will start deliveries next October. One year later all of the first three units of 62,000 horsepower each are scheduled to be in operation.

President A. E. Grauer stated at the annual meeting in 1948 that in order to be able to sell more common stock, the company planned to ask the government for a larger return on its gross investment than the 5.3% now allowed.

East Kootenay

East Kootenay Power Co. is a subsidiary of Power Corp. of Canada and is engaged in supplying light and power to the whole of southern East Kootenay from the boundary to Cranbrook, especially the towns of Fernie, Cranbrook, Elko, Bull River and Wardner; also the various coal mines in Crow's Nest Pass district and to the Kimberley concentrator of Consolidated Mining & Smelting Co. of Canada.

The company operates a 15,000-hp plant at Elko on the Elk River, one of 7,200 hp on the Bull River and a steam plant producing 13,300 hp at Hillcrest in the Crow's Nest Pass district in Alberta.

The company's electric output varies directly with the degree of activity within the coal mining industry and within the metal mining industry as it affects the mine output of lead and zinc. During the fiscal year ended Mar. 31, 1947, the company's plant output totalled 122,567,730 kwh as against 123,732,493 kwh in 1946 and 120,601,704 kwh in 1945.

East Kootenay gross earnings in fiscal year ended Mar. 31, 1947, were $774,727 as against $762,862 in the year ended Mar. 31, 1946. Net earnings were $408,886 and $381,435, but after deducting interest charges, depreciation, pension fund, doubtful accounts and income taxes, the 1947 net profit was $27,056 as against $1,197 in 1946.

Nanaimo-Duncan

Nanaimo-Duncan Utilities was taken over by the British Columbia Power Commission on Aug. 1, 1945, and since that date the Commission has operated the hydro-electric plants at Nanaimo and district. The plants generated 3,623,700 kwh in 1944 (latest figures available).

At the time of expropriation by the British Columbia Power Commission, a report by the American Appraisal Co., suggested compensation of $1,874,633 and recommended that interest be paid on the money outstanding at 6% per annum. The Commission appealed the award and the appeal was dismissed Nov. 4, 1947 by the Court of Appeal. However, the Commission was later granted leave to appeal to the Privy Council. The Commission advanced $1,105,000 to June 30, 1947, on account of purchase price, which was used by company to redeem bonds, preferred stock and to retire mortgages.

The Waterworks division was sold in 1947 to the City of Duncan for $137,500.

Gross revenue of Nanaimo-Duncan amounted to $27,601 in fiscal year ended June 30, 1947 ($81,635 in previous year). The amounts are not comparable with prior years as they no longer include the Electric division's earnings. Net profit of $7,725 compared with $25,219. The 8,000 preference shares outstanding were redeemed in 1947 through $425,000 being advanced by the Power Commission, bringing total advances at the end of the 1947 fiscal year to $1,105,000. The 1947 financial report indicated a possible breakup value of $15.60 per share, subject to outcome of court procedure.

West Kootenay P & L

West Kootenay Power & Light Co., subsidiary of Consolidated Mining & Smelting Co. of Canada, owns and operates hydro-electric plants and, with its subsidiaries, distributes electric power for domestic, industrial and mining purposes in southern British Columbia.

The installed capacity of the company's plants aggregate 71,500 hp. The No. 1 plant, known as Lower Bonnington, on the Kootenay River, has three units totalling 70,400 hp and the Goat River site at Erickson has an 800-hp unit. Kilowatt hours generated in 1947 in the two plants were 293,666,577, compared with 281,880,274 in the same plants in 1946 and with 1,645,190,792 in all plants. The latter figure included output generated by the Upper Bonnington, South Slocan and Cora Linn plants which were sold in May, 1947, to Consolidated Mining & Smelting Co. for $8,450,000. The total number of customers now served is 19,940, of which 11,657 are served directly and 8,283 through municipally-owned distribution facilities.

Net operating revenue of West Kootenay totalled $1,135,873 in 1947 ($3,253,271 in 1946, or prior to sale of the three power plants). After charging bond interest, depreciation, bad debt and income taxes net profit in 1947 was $859,582 against $1,599,627 the previous year. Working capital was $5,061,392 at end of 1947 ($3,724,751 at end of 1946). During the year the company paid regular dividends of $7 on preferred shares and $20 on common, as well as a special distribution of $100.44 on common which was made possible through sale of the plants.

West Kootenay Power & Light Co. owns all the stock, excepting qualifying shares in the following: Cascade Water Power & Light Co., Northport Power & Light Co., Okanagan Water Power Co., and South Kootenay Water Power Co.

West Can. Hydro-Elec.

West Canadian Hydro-Electric Corp. and subsidiaries formerly operated electrical properties, including the 8,000 hp hydro-electric plant at Shuswap, B. C. and other generating and distributing facilities for supplying of electric light and power to municipalities in Okanagan Valley and Chilliwack district, B. C. However, in July, 1945, these electrical properties were taken over by the British Columbia Government. Control of two former subsidiaries, Okanagan Telephone Co. and Elk Creek Waterworks Co., was transferred to West Canadian Hydro-Electric Corp. preferred shareholders under an exchange plan approved by shareholders in December, 1947. Other assets, worth about $50,000 and balance due on claims against the British Columbia Power Commission, were left for common shareholders, subject to the company's liabilities.

The expropriated properties were appraised Sept. 7, 1946, at $3,462,020 by government valuators but this estimate was not accepted by B. C. Power Commission which contended that $2.7 millions was adequate compensation and has appealed to the courts from the valuator's findings. The B. C. Supreme and Appeal Courts ruled that this appeal was not entered in time, but the Commission is carrying the case to the Privy Council. The company has also appealed, claiming additional $778,000 to include cost of refinancing and damages arising from expropriation and also claiming an allowance for return on value of properties from expropriation date to the date of final settlement.

Early in 1947 the government approved an advance against compensation to be determined, and this amount, together with $435,000 of a bank loan, was sufficient to retire the bonds and debentures of West Canadian and of Pacific Water & Power.

Following the expropriation, a large source of West Canadian Hydro-Electric earnings was taken away, and resulting uncertain status of the company made difficult raising of funds for capital extensions for the two operating subsidiaries. To effect an independence of subsidiaries and improve market value of preference and common shares of West Canadian Hydro the following exchange was effected: Holders of each of the 53,810 shares of the 80c cumulative participating no par value preferred received in exchange one share of 4% cumulative preference $10 par and one common share, n.p.v., of Okanagan Valley Telephone Co. and one share of n.p.v. common of Elk Creek Waterworks Co.

Okanagan Valley Telephone Co., Okanagan Telephone Co. and Elk Creek Waterworks Co., are separate and distinct companies and information covering their operations is carried under separate coverages in this issue.

Elk Creek Waterworks Co.

Elk Creek Waterworks Co. owns and operates under franchise the waterworks system covering the city of Chilliwack, B.C., and adjacent territory. Population served approximates 17,000 and service utilized is about 130 miles of pipeline.

The company's source of supply is derived from the streams known as Elk, Dunville and Nevin Creeks and its reservoir has a capacity of two million gallons. Additional water is available from other sources if required.

Rates charged by the company for its services are based on a flat rate of $2 per month for dwellings; for farms the rates are staggered beginning at 25c for each head of stock, $2 for 11 to 25 head, $4 for 36 to 50 head, etc.

Early in 1948 the company sold $350,000 4¼% first mortgage sinking fund bonds, Series A, for purpose of redeeming the then outstanding funded debt of $260,090 to pay off a bank loan of approximately $50,000 and to furnish capital for service extensions. The pro forma balance sheet at June 30, 1947, after giving effect to the foregoing, showed current assets of $32,554 and current liabilities of $13,541.

Gross earnings totaled $72,247 in fiscal year ended June 30, 1947 ($65,213, in 1946) and $39,374 in six months ended Dec. 31, 1947. Net profit in 12 months ended June 30, 1947, was $5,748 as against $4,096 in 1946 and $4,040 in six months ended Dec. 31, 1947.

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Foreign Operating Subsidiaries

(Continued from page 31)

year figures were made available for publication, totaled $1,247,174. After deducting expenses and taxes of $452,680 and depreciation of $195,000 the amount available for funded debt interest was $599,494 ($525,856 in 1944 and $458,704 in 1943). Funded debt at Dec. 31, 1945, comprised $2,750,000 in 3¼% series bonds, $674,000 in 5% general mortgage bonds.

Porto Rico Power

Porto Rico Power Co. is controlled by International Power Co. through ownership of 98% of the outstanding common stock. The company is in the process of liquidation following sale of shares and securities of the company's wholly-owned operating subsidiary Porto Rico Railway, Light & Power Co. to U. S. Government for approximately $10 millions.

Shareholders on Jan. 25, 1944, approved winding up of the company and the outstanding 130,913 5% refunding mortgage bonds were redeemed on Dec. 10, 1943, at $105 and accrued interest and the outstanding 6% 20-year sinking fund debentures ($834,000 outstanding as at Dec. 31, 1943) were redeemed at $101¼ and accrued interest on Feb. 21, 1944. Court authority was given in 1944 for distribution of $6,006,328 to shareholders and later in the year $5,506,328 was distributed. Of this sum, $100.632877 was paid out for each of the 10,000 preferred shares outstanding which represented repayment in full of par value, plus dividends accrued and unpaid at time of distribution. Common shareholders received $150 for each of the 30,000 shares outstanding. A further $50 was paid to preferred shareholders in 1945.

Power Corp. of Canada

Power Corp. of Canada functions as a holding, management and engineering company controlling or being affiliated with hydro-electric companies throughout Canada having a total power development of 731,936 hp.

Combined kilowatt-hour output of subsidiary and affiliated companies showed an increase of 6.9% in fiscal year ended June 30, 1947.

Through its subsidiaries Power Corp. of Canada, for the most part, furnishes transportation, gas and light and power services on the mainland of British Columbia and southern portion of Vancouver Island. Territory served covers an area of more than 1,450 square miles. The affiliated and subsidiary companies are: East Kootenay Power Co., Canada Northern Power Corp., Northern Quebec Power Co., Northern British Columbia Power Co., British Columbia Power Corp., Winnipeg Electric Co., Southern Canada Power Co., and Foreign Securities Corp.

Gross earnings of Power Corp. totaled $1,811,043 in year ended June 30, 1947 ($1,727,012 in 1946). Income from investments and advances amounted to $1,586,094 while income from engineering, construction and management fees totaled $224,949 in 1947 ($1,493,876 and $233,136 in 1946). Net profit was $1,061,455 in 1947 against $884,200 in 1946. A refunding issue was made in September, 1947, of $6 millions, of which $1.5 millions was in 3% serial debentures and $4.5 millions in 3½% 20-year debentures. Proceeds were used to retire a bank loan incurred to provide in part funds for redemption of $7,978,500 4½% series B debentures on Sept. 1, 1947.

United Sec. Ltd.

United Securities Ltd. functions as a holding company controlling, through its subsidiaries, the street railway system of the city of Montreal and district, and hydro-electric power development on the St. Lawrence River near Ste. Timothee, with installed capacity of 28,800 hp.

The company's subsidiaries are: The Canadian Light & Power Co. which owns and operates the

(Continued on page 36)

Continuing POWER Development for Quebec's Industrial Future

ABUNDANT water power, advantageously located, has been the mainspring of Quebec's remarkable industrial advance. It made possible wartime production achievements and postwar progress. Because of it, this province has become one of the world's great manufacturing areas. Its continuing development assures an even greater industrial future.

Today, Quebec's total installed capacity is close to six million horsepower — 40% greater than in prewar years. With even vaster resources still to be developed, production of electric energy is steadily expanding.

To that expansion, Hydro-Quebec is making a major contribution. With its great generating facilities at Beauharnois, Cedar Rapids and Rivière-des-Prairies, it is providing ever-increasing power to Quebec industry, and dependable, ever expanding electric service to the homes, institutions and commercial establishments of the province.

Typical of the advance are present developments at Beauharnois. Powerhouse No. 1 has now an installed capacity of 650,000 H.P. An additional unit to be completed this fall will increase it to 700,000 H.P. Early this year, work will commence on Powerhouse No. 2 which, when completed, will provide an additional 600,000 H.P. — making the Beauharnois total 1,300,000 H.P. — and still further developments have already been planned for the future.

Hydro-Quebec
MONTREAL

PROFESSIONAL DIRECTORY

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On Brokers' "Most Popular" Stock List:

Kerr-Addison Gold Mines Ltd.

"What stocks would you choose for security and capital appreciation over the next three years?"

That was the question which The Financial Post put to a group of leading Canadian brokerage and investment firms. In recent weeks The Post has published the lists they selected.

Here, The Post analyzes another of the 20 stocks which received the highest number of votes. Analysis does not, of course, mean that The Financial Post recommends the purchase or sale of any of these securities now or at some time in the future.

By JAMES H. JOYCE

Why was the common stock of Kerr-Addison Gold Mines Ltd. on the list of the 20 "most popular" stocks to hold over the next three years in The Financial Post's recent poll of opinion in the investment community?

The reasons would seem to be as follows:

(1) Kerr-Addison Gold Mines has one of the largest developed ore reserves of any gold mine in Canada.

(2) It shows possibilities of a major increase in its reserves through an upward trend in both average value and tonnage per vertical foot with development of lower levels, i.e. it has future growth possibilities.

(3) Its mill capacity is being increased and is expected to be 4,000 tons a day by the end of 1948—nearly double its 1947 capacity of 2,200 tons a day. This will permit increased production and should reduce operating costs per ton.

(4) The company's ability to finance its expansion from resources and current earnings without recourse to outside assistance.

(5) It has shown a better than average earnings record in the difficult war and postwar periods.

(6) It is becoming one of the largest producers of gold in Canada.

(7) Its dividend policy of distributing any available earnings to shareholders over expansion requirements.

(8) Its management is considered able and experienced.

Current Market Situation

Kerr-Addison Gold Mines common is currently selling about $13.75 a share. This is above its high for any year up to 1945 but 23.1% below its all-time high of $17.87½ a share made in 1946.

At its current price, Kerr-Addison's common is quite obviously discounting its future developments and earning power substantially. It is selling at over 33 times its 1947 earnings per share and only yields about 1.31% on the basis of the 18 cents total dividends paid in 1947.

A record of the price range of the stock, the company's working capital, operating statistics and an abbreviated income account showing earnings and dividends per share for the 10 fiscal years from the commencement of production on May, 2, 1938 to Dec 31, 1947 are shown in the accompanying table.

Kerr-Addison's annual production showed a steady upward trend until 1943. The interruption was due to the continued shortage of mine labor which adversely affected both development work and current production.

Shortage of labor plus a high labor turnover is still a factor. But President J. Y. Murdoch reported last month that the manpower situation was rapidly improving and that the management expected that the mine will be able to supply the additional tonnage required under its expansion program.

General conditions in 1947 were the best since 1942, Mine Manager W. S. Row stated. The working force increased from 505 to 649 in the year. Tonnage milled in 1947 was 780,153 tons or a daily average of 2,137 tons. This is the largest yearly tonnage for any year and over 3.1% above its previous peak of 756,453 tons for 1942. It was nearly 47% higher than the 531,695 tons milled in 1946. Tonage milled in the current fiscal year is expected to be about 847,000 tons. After 1948, the increased mill capacity will be capable of handling 1,460,000 tons a year.

Operating Costs Down

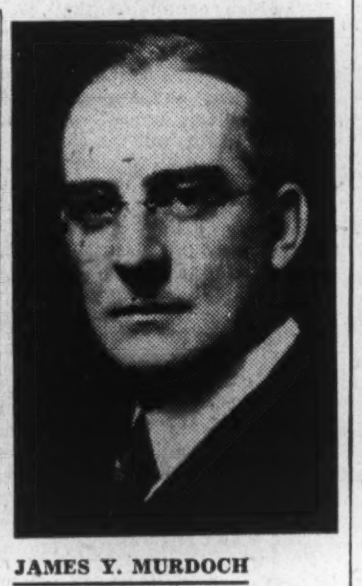
Improvement of the labor situation is an encouraging factor for the mine in two ways. One is through increasing actual production and development work. The other is in reducing unit costs through increasing output.

Operating costs per ton were reduced in 1947 due to this latter factor. However, increased costs of supplies, a wage increase in December 1946 and the heavy increase in broken ore reserves tended to keep costs per ton up, Mr. Row stated. Lack of miners to carry out additional development work kept that item of cost down. Operating costs per ton of $3.28 in 1947 were lower than the $3.42 a ton figure for 1946 but 9.3% higher than the 1942 figure of $3.00 a ton.

The amount of underground work accomplished in 1947 was about 40% above that for 1946 but, in spite of the increase in force, mining, construction and development programs fell behind their schedules, Mr. Row stated.

Broken ore reserves were increased by 161,509 tons. In mining operations 869,276 tons of ore were broken and of this all but 71,799 tons broken on the 1,300 foot level, were above the 1,000 foot level. Supplementary development and actual mining operations during the year disclosed aditional ore above the 1,450 foot level amounting to 482,025 tons.

In order to prepare the mine for the production of 28,000 tons of ore per week late in 1948, all miners available were used on development, stope development and mining in the larger orebodies only. The exploration and development of the smaller ore occurrences, outside of the main bodies, will be resumed when adequate numbers of miners can be either hired or trained, Mr. Row stated.



JAMES Y. MURDOCH

has been president and a director of Kerr-Addison Gold Mines Ltd. since 1941.

The Mine's Reserves

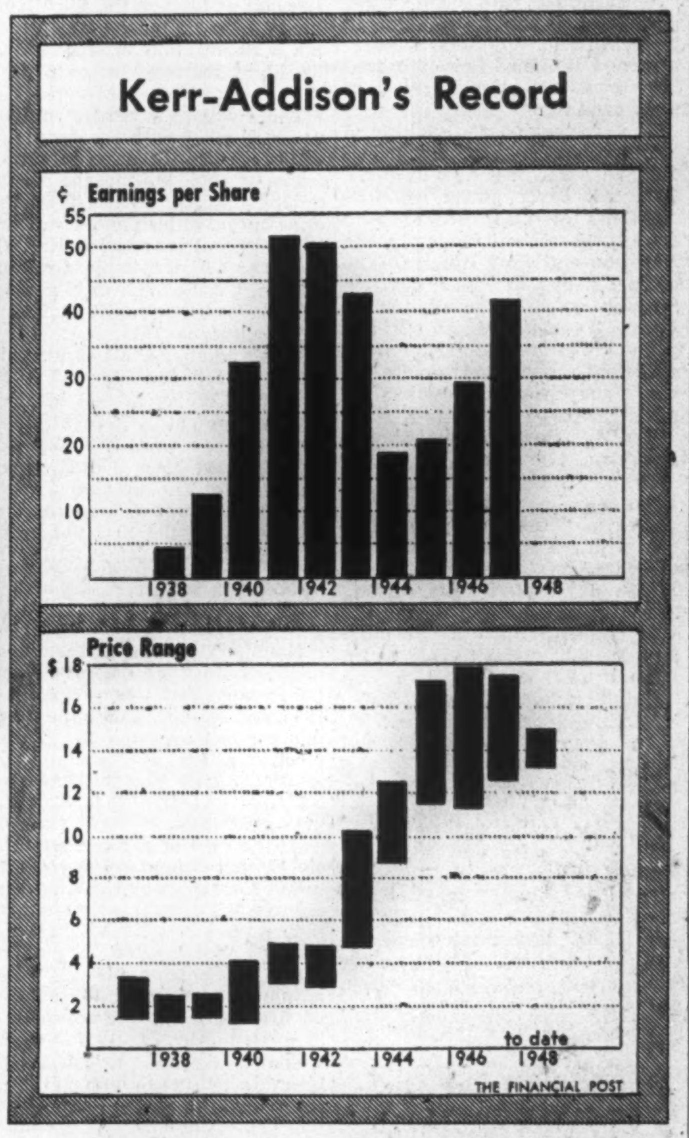
Developed ore reserves, above the 1,450-foot level, total 8,168,368 tons having an average grade of $7.04 a ton after allowing for dilution and including 874,826 tons broken ore reserves. For the first time, ore reserves show a decrease — 300,000 tons in the year. Developed ore reserves would give the mine an estimated life expectancy of over 5½ years on an annual production of 1,460,000 tons (4,000 tons a day).

But the mine has not shown any sign of bottoming. Work to date between the 1,450-foot and 1,600-foot levels has indicated 2,250,080 tons of partially developed ore having an indicated grade of $7.90 a ton—a higher grade than for the developed ore reserves.

Lower levels give even better results from preliminary work. So far No. 6 ore body has an indicated length of 450 feet, width of 43 feet and grade of 0.3605 oz. ($12.62) per ton. At this horizon work to date shows No. 10 ore body having an indicated length of 350 feet. width of 22 feet, and grade of 0.3481 oz. ($12.18) per ton. Each of these ore bodies is still open on one end. The above figures include no provision for dilution.

On the 1,900-foot level, more detailed diamond drilling now shows the flow type ore bodies to have an indicated total length of 20.3 feet and an average grade of feet and average grade of 0.3355 oz. ($11.74) per ton, before allowing for dilution. So far the indicated carbonate ore bodies at this horizon have a combined length of 1,795 feet, average width of 20.3 feet and an average grade of 0.2234 oz. ($7.82) per ton, before allowing for dilution.

In 1943 development work of the 2,500-foot level was started and by March 1944 about 1,200 feet of drifting had been done. This, with horizontal drilling to the east of the main crosscut, indicated a body of mineralized flow-type ore for a length of 400 feet having a grade of 0.1956 oz. ($6.85) per ton over an average width of 49 feet still open to the east. Drilling to the north indicated a substantial area of carbonate type ore, while west of the shaft good ore was secured in diorite. At the Annual Meeting in April 1946 Manager W. S. Row announced that from drifting and diamond drilling approximately 11,166 tons of ore per vertical foot was indicated.



From definite ore reserves to the 1,450-foot level, partially developed tonnage between the 1,450-foot and 1,600-foot levels, and using a basis of 12,000 tons per vertical foot from the 1,600-foot level to the 2,500 foot level, it is estimated that the mine has close to 22 million tons of ore reserves. This is sufficient for 15 years operation at the new maximum milling rate of 1,460,000 tons.

Production Record

Gross production in dollars of $5,257,179 for 1947 shows a substantial jump from 1946 but, in spite of the record tonnage treated was about $1 million below the 1942 figure. This was due to the lower grade of ore handled and to the loss of the 10% premium in U. S. funds on the selling price.

Net profit for 1947 was $1,950,478 or $0.412 a common share. This is nearly 41% higher than the 1946 net profit of $1,384,691 or $0.293 a common share and was only exceeded in the three years 1941, 1942 and 1943.

The net profit for the 10 fiscal periods since commencement of production totals $14,429,588 equal to an average of $0.305 a share a year. Dividends are payable bi-monthly and the amounts paid are shown in the accompanying table. The rate was reduced to its present level at the beginning of 1947 to conserve cash for the expansion program. Dividend payments total $10,785,086 or 74.8% of the company's total net profit and average $0.285 a common share for the eight years in which dividends were paid.

What about future earnings?

These will depend on production, operating costs and the price of gold. The first two factors are discussed above. Any change in the price of gold, under present international agreements, would have to come from action of the International Monetary Fund. Whether the price should be increased is a controversial subject.

Financial Position

From a financial standpoint, Kerr-Addison's position is strong. Current assets totaled $3,176,941 at Dec. 31, 1947; current liabilities $780,556. Working capital was $2,396,385, down from $3,211,031 a year earlier due to the cost of the expansion program but 3.9 times its figure of $616,153 at Dec. 31, 1940. Current assets include $2,042,069 Dominion of Canada bonds at cost.

Buildings, plant and equipment stood at $5,920,704 at Dec. 31, 1947 as compared with $3,506,694 a year before reflecting the expansion program. This program made excellent progress in 1947 and a determined effort is being made to increase the daily tonnage capacity of the plant to 3,000 tons by next October and to reach the objective of 4,000 tons a day by the end of 1948, Mr. Murdoch has stated. There was a depreciation reserve of $2,962,813 at Dec. 31, 1947, equal to 50.1% of the gross book value of buildings, plant and equipment.

Mining claims are carried at cost of $1,245,993.

Capitalization consists solely of common stock, par $1, of which there are five million shares authorized, 4,730,301 shares outstanding. Proprietary Mines Ltd. owns 1,011,875 or 21.4% of the shares; Noranda Mines Ltd. some 600,000 shares and Anglo-Huronian Ltd. (which owns over 50% of the outstanding shares of Proprietary Mines) an important but unstated direct interest. Anglo-Huronian's direct and indirect interest is equivalent to 1,059,000 shares. Earned surplus totaled $3,642,853 at Dec. 31, 1947; capital surplus $164,842.

Management is considered both experienced and progressive in mining circles. Directors are J. Y. Murdoch, president; André Dorfman, vice-president and managing director; J. H. Rattray; J. H. C. Waite; Oliver Hall and L. K. Fletcher of Toronto; and Harold H. Leather of Hamilton; Secretary-treasurer is G. A. Cavin. Mine Manager is W. S. Row.

Kerr-Addison Gold Mines owns the largest producing gold mine in the Larder Lake area, Ontario. The mine, which is one of Canada's large gold producers, came into production on May 2, 1938, with a 500-ton mill. Mill capacity has since been increased to over 2,200 tons daily.

Property consists of 28 Crown patented claims, three extending under water for which licenses of occupation are held, and four claims located under Larder Lake held under licenses of occupation situated in McGarry township, Larder Lake area, Temiskaming district, Ontario. The company acquired, in 1938, 79.3 acres estimated to contain over 1,000,000 cu. yds. of gravel, to be used as fill for the mine.

Kerr-Addison Gold Mines Ltd.
(Years ending Dec. 31; thousands of dollars)

	1947	1946	1945	1944	1943	1942	1941	1940	1939	1938x	1937
Total production	5,257	3,853	3,123	3,110	5,015	6,233	5,626	3,544	1,985	986	....
Devel. & exploration	778	478	283	301	432	602	802	537	423	185	....
Mining, hoisting, etc.	993	745	569	556	615	983	688	398	341	210	....
Milling	438	332	266	263	350	398	362	281	222	115	....
Bullion market exp.	43	38	39	38	57	71	64	40	25	13	....
Administration, etc., exp.	309	223	193	191	194	216	196	122	63	50	....
Operating profit	2,696	2,037	1,772	1,761	3,367	3,962	3,513	2,167	911	413	....
Other income	115	123	120	112	100	58	21	6	6	3	....
Total income	2,811	2,160	1,892	1,873	3,467	4,020	3,534	2,173	917	416	....
Depreciation	236	196	343	453	452	418	331	265	172	115	....
Deferred devel. w/o	...	...	146	170	170	170	156	134	112	74	....
Taxes	625	579	421	361	829	1,037	593	250	35	7	....
Net profit	1,950	1,385	983	889	2,015	2,395	2,454	1,519	598	221	....
Dividends	851	1,419	1,419	1,419	1,656	1,656	1,656	709	....	...	....
Surplus for year	1,099	34‡	436‡	530‡	360	739	798	810	598	221	....
Surplus forward	3,643	2,544	2,578	3,014	3,523	3,163	2,423	1,624	814	218	....
†Deficit. ‡Income figures, from commencement of production, May 2, 1938.											
Working capital	2,396	3,211	3,704	3,625	3,519	2,513	1,323	616	138	34	439
Common Stock ($):											
Earned	0.412	0.293	0.208	0.188	0.426	0.506	0.518	0.321	0.126	0.047	....
Paid	0.18	0.30	0.30	0.30	0.35	0.35	0.35	0.15	nil	nil	....
Common Price Range ($):											
High	17.50	17.87½	17.25	12.50	10.25	4.85	4.90	4.10	2.60	2.50	3.30*
Low	12.50	11.25	11.50	8.75	4.75	2.85	3.05	1.20	1.47	1.25	1.40*
1948 range has been: High $15; Low $13.12½.											
*Listed T.S.E. March 18, 1937.											
Operating Statistics:											
Tons milled (000 omitted)	780	532	430	485	674	756	695	445	268	149	....
Av. recov. per ton ($)	6.74	7.25	7.26	6.42	7.43	8.24	8.10	7.95	7.39	6.63	....
Operating costs per ton ($)	3.28	3.42	3.14	2.77	2.43	3.00	3.04	3.09	4.00	3.85	....
Total costs per ton ($)	4.38	4.88	5.26	4.81	4.58	5.15	4.59	4.54	5.19	5.16	....
Profit per ton ($)	2.36	2.37	2.00	1.61	2.85	3.09	3.51	3.41	2.20	1.47	....
Ore reserves (000 tons)	8,168†	8,465†	8,380†	8,301†	8,244†	8,212†	8,152†	5,140†	2,636°	1,728°	....
Av. grade ($35 gold) ($)	7.04	6.93	6.91	7.01	7.01	6.74	6.47	6.96	5.95♦	6.31♦	....
Broken ore (000 tons)	875†	713§	606§	520§	544§	812°	322°	344▲	316	121	....

†Above 1,450-ft. level. °Above 700-ft. level.
♦Cut grade.
§Above 1,000-ft. level. ▲Above 500-ft. level.

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Transit Systems at Record, Costs, Fares Out of Ratio?

For most Canadian urban transportation systems, 1947 meant a record year. The rate of increase in passengers carried, however, indicated a leveling-off in the pattern, which had been rising almost continuously since early in the war. From a company standpoint, the matter of chief concern has been the rising cost of operations, combined with public resistance to suggestion of rate increases.

Here are the 1947 highlights:

1. Continued record level of operations.
2. Narrowing of the profit margin through increasing labor and maintenance costs.
3. First large-scale postwar delivery of long-awaited new vehicles.
4. Sharply increasing use of trolley-coaches.
5. Commencement of large-scale programs of track and road repair and extension and construction of new warehouses, etc.

Number of new vehicles added during the year by members of the Canadian Transit Association, which represents more than 60% of such companies in Canada, was 417—an increase of 6.7%. At year end, the association reported 2,625 coaches, 3,571 streetcars and 404 trolley-coaches in operation. The following cities report increasing use of trolley-coaches in their systems: Vancouver, Edmonton, Calgary, Regina, Winnipeg, Fort William, Kitchener, Toronto, Montreal.

Association members anticipate delivery of some 784 new vehicles over the next three years. Trolley coaches bulk largely in these orders.

Mtl. Tramways

Montreal Tramways Co. owns and operates the tramway, autobus and trolley bus transportation systems covering all of Montreal, suburbs on Montreal Island and to the Longueuil on the south shore, as well as operating, through subsidiaries, long distance auto coach lines. The company is controlled by United Securities Ltd., through ownership of a majority of the stock, while United Securities, in turn, is controlled jointly by the Quebec Hydro Power Commission and Shawinigan Water & Power Co.

The wholly-owned subsidiary of Montreal Tramways Co. is Montreal Street Railway Co., which in turn controls Montreal Park & Island Railway Co. and Montreal Terminal Railway Co. The associated company is Provincial Transport Co. which operates bus lines in and about Montreal. Montreal Tramways owns 50.3% of its outstanding capital stock.

Revenue passengers carried in 1947 at 398,349,773 represented an all-time high and an increase of 1,869,284 passengers over 1946. The company added 90 new gas buses and 40 new trolley coaches to its equipment during the year, as well as replacing two obsolete wing plows with two new plows.

Total 1947 revenue of $24,706,879 was about the same as the previous year of $24,739,581. However, substantially higher operating expenses resulted in a net loss of $378,245 in 1947, or deficit earnings of $5.40 per share as against net profit of $238,873 or $3.41 per share in 1946. Working capital was $3,031,413 at Dec. 31, 1947 ($5,144,770 at end of 1946).

During 1947 the company redeemed its 5% first mortgage bonds outstanding of $15.5 millions and issued $14.8 millions of new first (closed) mortgage bonds consisting of $3.5 millions 2¼% serial bonds and $11.3 millions 3% bonds.

Montreal Tramways Commission established new tariffs of fares for passengers carried by this company on Jan. 30, 1948, but operation of new rates was suspended by an Act of the Quebec Legislature on Feb. 6, 1948. The Act amends a contract between the city of Montreal and the company and provides for the appointment of three arbitrators to hear and finally decide on any appeal from a decision of the Montreal Tramways Commission increasing the tariff.

Amendments to the contract made by an Act of the Quebec Legislature Feb. 6, 1948 included a provision worded as follows: "The word 'taxes' shall not be interpreted as including or having already included income tax or taxes payable by the company on its revenue, profits or surplus profits." The Act states that it shall be in effect as from Nov. 15, 1947.

Ottawa Electric

The City of Ottawa is proceeding to carry out legal details necessary for the acquisition of the assets of Ottawa Electric Railway. Under the company's franchise agreement with the City of Ottawa, the city has the right to acquire transit assets on or before Aug. 13, 1948.

The company has agreed to sell its transportation system to the city for $6 millions, plus the net cost of all capital additions made to the System after Nov. 1, 1947, up to and including Aug. 12, 1948.

Gross income of Ottawa Electric Railway Co. amounted to $3,591,921 in 1947 ($3,801,585 in 1946). Net 1947 profits were $412,522, or $2.93 per share ($427,286 or $3.03 in 1946). Working capital was $2,067,895 against $1,157,658.

Prov. Transport

Provincial Transport Co. operates bus lines in and about the city of Montreal and through its subsidiaries provides local service in Kingston and Sherbrooke and long-distance haulage connecting Montreal, Toronto, Ottawa and other points.

The subsidiaries are: Colonial Coach Lines, operating inter-city coach lines connecting Montreal with Toronto, Ottawa, Cornwall, North Bay and other points in Quebec and Ontario; Kingston City Coach Co., operating a bus service in the city of Kingston; Sherbrooke City Transit Co., operating a bus service in the city of Sherbrooke, Que.

The company carried 14,524,349 passengers in 1947, an increase of 2,198,412 over 1946. Long distance and special charter travel increased in 1947.

During 1947 both Kingston City Coach Co. and Sherbrooke City Transit Co. handled increased traffic. In Kingston 4,998,796 passengers were carried, an increase of 337,334 over 1946. In Sherbrooke 5,538,080 passengers were carried, a gain of 635,651 over the previous year. During 1947 Provincial Transport purchased 91 new buses, and after disposing of a number of unsuitable and worn out buses, 394 buses were being operated at year-end. There are now on order for delivery in 1948, 60 buses. To cover cost of new rolling stock and improvements to terminal facilities mentioned above, the company sold $2 millions of an authorized $3.5 millions of 15-year debentures.

The 1947 operating revenue of $7,531,917 exceeded that of 1946 by $982,261. After deducting operating expenses, depreciation, interest and income tax, the 1947 profit was $390,838, or $1.12 per share as against 1946 net profit of $469,875, or $1.34 per common share.

T. T. C.

The Toronto Transportation Commission, owned by the city of Toronto, provides urban transportation within the city and to surrounding municipalities. Gray Coach Lines, inter-city bus service, which covers most of southern Ont., is a wholly-owned subsidiary.

The number of revenue passengers carried in streetcars and buses of the city's system at 307,590,938 in 1947, was off 2,524,662 or .81% from 1946, when a record number of passengers was carried. The number of revenue passengers carried in the first three months of 1948 totaled 79,427,026, a decrease of 235,098 passengers or .30% from traffic carried in the similar period of 1947.

The Commission was able to obtain delivery during 1946 of 142 buses and coaches. While this new equipment has helped to better the service, much larger numbers of additional passenger-carrying vehicles are needed and orders have been placed for 100 streetcars, 75 trolley coaches, 70 gasoline buses and 100 coaches, at a cost of approximately $8 millions, Chairman Wm. C. McBrien stated in annual report.

The gross revenue of Gray Coach lines for 1946 was by far the highest in the experience of the company. Operating expenses were also considerably higher, and the balance of income available for dividends, reserves and surplus, was $468,940 as compared with $671,501 in 1945.

Gross revenue from the Commission from all sources totaled $25,503,517 in 1946, an increase of $1,471,267 over 1945. The 1946 gross revenue was the highest for any year in the history of the Commission and was 138.06% over 1933 which was the lowest.

After charging operating expenses, interest on debentures, appropriating $350,000 for contingencies, $300,000 for revenue stabilization and $3.2 million in rehabilitation and modernization and expansion of the system the amount transferred to accumulated surplus in 1946 was $296,266. Profit on disposal or retirement of road and equipment and miscellaneous credits and charges to surplus was $157,654.

Plans for the rapid transit system had reached the stage where the Commission was ready to start construction in 1947. However, the Commission was reluctantly compelled to wait until it could be assured of sufficient materials, labor and construction equipment.

YOU ASKED US

The Financial Post will provide subscribers as quickly as possible the answers to specific questions about business, taxation, investments, and other subjects. The Post cannot undertake to make predictions, will not express opinion on matters involving individual business judgment or on conditions or investments outside Canada. All communications should be addressed to Business Enquiry Editor, The Financial Post, 481 University Ave., Toronto 2. A four-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. If more than one enquiry is being sent, subscribers are asked to submit each on a separate sheet of paper, to facilitate research work entailed.

INCOME TAX

Sell Timber Off Land

If a man owning a piece of land with timber on it cuts some of the timber and sells it as fence posts, lumber or pulpwood, is the revenue derived therefrom considered income and taxable or is it return of capital?

The answer to this problem, it is believed, might be affected by special circumstances. Accordingly, it would appear it would be wise to consult the inspector of income tax in your district, laying all the facts before him. In a general way, it is stated, such revenue from timber or wood sold separately from the land is considered income and taxable. If, however, the land is sold at the same time, the proceeds would be considered capital return and non-taxable.

INVESTMENTS

Cardy Corp.

What are the possibilities of Cardy Corp. class A stock? Do you not think that Montreal has too many hotels now?

Class A stock of the Cardy Corp. is entitled to dividends of $1 per share per annum cumulative from June 1, 1947, to the extent earned in any year. This indicates that the stock is on a regular paying basis.

It is difficult to say what effect the Laurentien Hotel will have on the Mount Royal. However, it would be well to note that the Cardy Corp. includes not only the Mount Royal Hotel but also four other hotels which are located in Toronto, Hamilton, Niagara Falls and Windsor, Ont. Therefore, the potential earnings of all five units should be taken into consideration in assessing the stock of Cardy Corp. As far as the situation in Montreal is concerned hotelmen stated in 1946 that another hotel was necessary to handle the tourist and transient trade. Hotel bookings fell off somewhat last year, it is stated, and it is likely that the addition of 1,000 more rooms to hotel accommodation in the city will have some effect. However, it is generally admitted that unless the travel business falls off drastically there is enough business for the Montreal companies. It is pointed out too that the Laurentien has only been operating for a little more than a month and it is still too early to judge what effect it will have on the other hotel companies.

Dexter Red Lake

Will you tell me the reason for great decline in shares of Dexter Red Lake? Does the company appear to have much prospect of becoming a successful producer?

Reason for the decline in price of shares of Dexter Red Lake Gold Mines appears to be the fact that no work is being done on the property and it may be some time before interest in gold mining is sufficiently great to bring a resumption of work.

There was no work completed on the company's property in 1947 but Dome Exploration Co. is maintaining its option in force.

Past diamond drilling indicated two or three sections where it appeared possible that underground work might establish ore shoots, but work on the adjoining Campbell Red Lake property gave much superior results and Dome decided to concentrate its efforts for the present on this property.

As you probably know, underground work at Campbell has been successful in outlining $4 millions of ore with further extensions expected.

The possibility exists that Dexter might find some ore parallel to the Campbell deposit or that Dexter might hold the downward extension of some of the Campbell occurrences on dip at great depth. However, these possibilities have not been intensively investigated as yet.

Authorized capital of the company is three million shares of which 2,700,000 shares are outstanding.

Flin Flon Gold Mines

I have noted a stock called "Flin Flon" quoted at a few cents. Has this anything to do with the big Flin Flon mining enterprise? Or is it the location of uranium occurrences reported in this region?

The company to which the quotation refers is Flin Flon Gold Mines. Flin Flon Gold Mines has no connection with Hudson Bay Mining and Smelting Co., which owns the vast copper-zinc Flin Flon deposits. It is an old company which in 1939 sold its assets to another company called Douglas Lake Mines on an eventual exchange basis of one share of Douglas Lake for each 2¼ shares of Flin Flon Gold Mines. Douglas Lake in turn sold its property to another company, Newcor Mining and Refining in which it held 971,050 shares at last report. It did, however, retain 12 other claims at Douglas Lake which is in Northern Saskatchewan.

Newcor has installed a plant to recover arsenic and gold. Douglas Lake had an issued capital of 1,800,000 shares at last report.

As far as we are aware, no uranium ores have been located in the immediate vicinity of Douglas Lake, although some discoveries of uranium are said to have been made in the Flin Flon area.

PATO CONSOLIDATED GOLD DREDGING has declared a dividend of 15 cents a share, payable May 31 to shareholders of record May 7.

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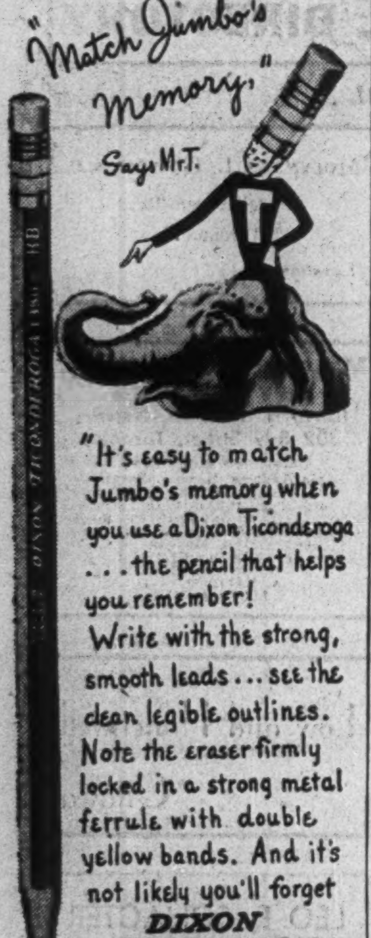

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WHAT'S NEW IN BUSINESS

Jet-propelled Toys

Model aircraft, racing cars and boats attain speeds of over 30 mph when powered by tiny jet cartridges. English firm says they can be used with perfect safety by children, as cartridge burns quietly, without flame or sparks. Airplanes attain considerable height and, when jet is exhausted, continue flight in long glide. Jet units normally operate for 10-30 seconds but, if desired, can be prepared to give burning time of several minutes.

• • •

Gasoline Saver

Device applicable to most autos is said by makers to save gasoline by eliminating spillage due to blowback, overfilling, temperature expansion and theft by siphoning from gas tank. While tank is being filled, gadget produces clear whistle, which stops when proper level within tank has been reached notifying service operator to "cease fire." Readily installed in filler neck of gas tank.

• • •

Prevents Tarnish

Many new industrial uses have recently been found for "Perma Plastic" water-clear liquid plastic. Makers say it can be used as finish coating for protection of articles, of silver, brass copper, aluminum, chrome and other metals, and that it has been found to be impervious to salt water and air. It is packaged for consumer use in pints and quarts and for industry in larger units.

Manufacturers of products that are either completely new or are being made in Canada for the first time are invited to contribute to this column. Describe the product, state its purpose, outline in what respects it is new, and indicate its significance to its field.

• • •

Tractor Pushes Tools

By mounting engine in rear and placing tools in front of newly-designed tractor, Allis Chalmers claims to offer operators of machine greater range of visibility than possible with tractors of conventional design. Vehicle has four-cylinder engine and four forward speeds. Implements specially designed for front mounting.

• • •

Building Material

Insulation, soundproofing, waterproofing and fireproofing are built into their product, say makers of "Durisol," chemically treated and impregnated wood fibres, mixed with Portland cement. Comes in panels, slabs or blocks. Makers further state four-inch wall of this material equals in insulation value 20-in brick wall, construction time cut by half, no mortar necessary and only half usual number of studs needed, effecting saving in lumber.

• • •

Simple Band Saw

Large all-purpose 14-inch band saw handles wood, metal and plastics for production jobs and for home workshop users as well, makers say. Castings are heat-treated before machining to relieve stress and distortion and heavily ribbed table surface is ground smooth.

• • •

No-wheel Cultivator

Garden and orchard cultivator propels itself by rotating spikes as it digs. Makers says machine, powered by 1½ hp gasoline engine, plows, discs, harrows and pulverizes at same time and can cultivate two acres daily with less effort than it takes to run lawnmower. Spikes dig 10 inches into soil, machine turns within 16-inch circle; automatic safety clutch disengages when hand leaves guiding handle.

• • •

Home or Car Shaver

Electric shaver can be used either on ordinary house current or on a car battery. Installation for car requires only few minutes to fix, say Remington Rand. "Foursome" uses 6c-110v 25- or 60-cycle ac-dc type motor. Canadian distributors have been appointed.

• • •

Square Sprayer

Recognizing that vast majority of lawns are square in shape, makers of new lawn sprinkler have designed product so that it sprays anything from four-foot square up to whole small lawn of square design. Sprayer has easy-sliding base of cast aluminum and dome of high-tensile aluminum, and base is finished in baked enamel in variety of colors.

• • •

Lifelike Doll

Doll made of plastic material is so soft to touch it gives impression of being live baby. Can be washed in hot or cold water without danger to appearance or construction, British makers say, while limbs are detachable and can be reassembled in a few moments. Ducks and other novelty toys are also being produced of same material.

• • •

Lightweight Pump

Self-priming centrifugal pump weighs only 66 pounds, pumps 6,000 gallons an hour at five-ft. suction lift. It is made entirely of cast aluminum and, makers say, will pump up to 26,000 gallons of water for each gallon of gasoline used.

• • •

Cotton Resists Wrinkles

All types of cotton goods will resist wrinkling with practically no loss of tensile strength, makers of new finish report. Even seersucker, they say, remains fresh after several wearings, when treated with product. New finish is also said to control shrinkage to 2% or under.

• • •

Summer Toy

New summer toy offers amusement for youngsters—and their parents. Model land sailer can be easily assembled from kit. Vinylite plastic sail catches breeze and propels toy on rubber wheels. Features patented nontip action.

B. G. JACKSON

has been appointed a director of Lever Brothers Ltd.

Foreign Operating Subsidiaries

(Continued from page 33)

hydro-electric plants on the St. Lawrence River; Montreal Tramways Co. which operates the street railway system in the city of Montreal.

United Securities revenue in the fiscal year ended March 31, 1948, totaled $71,230 as against $71,851 in the previous year. However, after deducting expenses, bond interest and exchange in both years, net loss in 1947-48 was $32,321 as against $30,858 in 1946-47. The company's total assets of $8,521,052 at the end of 1947-48 fiscal year was represented mainly by its investments.

The subsidiary, Canadian Light & Power Co., showed a net profit of $10,338 in 1947 as against net profit of $20,272 in 1946.

Prairie Provinces

(Continued from page 23)

been proposed and discussed, but so far no definite plans have materialized.

Winnipeg Hydro

Winnipeg Hydro-Electric System provides electric light and power for Winnipeg and district and its subsidiary sells steam for heating purposes from the central plant. New all-time records were established in the production and sale of electricity and net earnings in 1947 at $1,150,115 were up from $1,001,042 in 1946. An amount of $453,800 was transferred from net profits to general funds of the city of Winnipeg, bringing contributions to $3 millions from hydro surpluses in the past 10 years.

Total revenue from the sale of electricity increased 6% with the largest gain being recorded in commercial lighting and domestic water heating.

Property and plant accounts increased $1,241,583 with the largest investments being made to complete the extension to the Slave Falls plant and the distribution system. The maximum equipment capacity of the Slave Falls plant, 96,000 hp, has now been installed and the two final generator units will go into regular service this year.

COMPANY REPORTS

To assist readers in appraising and comparing company financial statements, The Financial Post has a uniform method of presenting corporation accounts. Variations from the companies' published reports are footnoted

GAIR CO. CANADA 1947 net profit was up 78.5%. Net sales were $13,470,171 as against $9,959,269. Production of paperboard at company's mills amounted to 75,022 tons compared with 61,331 tons in 1946. Total sales to the trade of all products were 101,299 tons (87,051 in 1946).

During the year the company acquired the balance of the outstanding common shares of its subsidiary company, Dominion Envelope & Cartons (Western) Ltd. On March 1, 1948, this company redeemed all of its outstanding preference shares at a premium of 10%, leaving the subsidiary company with no capital obligations to the public.

The Dominion mill of the company, placed in operation in June, 1946, operated throughout 1947, and its operation helped to increase total production of paperboard for the year.

The coming year promises to be a difficult one in respect to supply of materials, President Geo. W. Brown states.

CONSOLIDATED INCOME ACCOUNT

Years Ended Dec. 31:	1947	1946
Net sales	$13,470,171	$9,959,269
Net earnings	2,265,217	1,555,318
Less: Deprec.	263,365	243,069
Bond interest	12,834	51,966
Int. on notes, etc.	248	19,889
Subsid. min. int.	14,111	20,312
Income tax res.	942,244	641,740
Net profit	1,032,415	578,342
Less: Pref. divds.	45,000	......
Common	360,000	230,750
Surplus for year	627,415	347,592
Times All Interest Earned:		
Before deprec.	173.16	21.65
After deprec.	153.02	18.26
Earnings per Share and Dividend Record:		
Preferred	$68.83	......
Paid	3.00	......
Common	8.23	$4.82
Paid	3.00	2.50

CONDENSED CONS. BALANCE SHEET

As at Dec. 31:	1947	1946
Cash & mkt. secs.	$1,370,540	$688,430
Accts. rec.	1,440,126	1,118,445
Inventories	1,784,737	1,179,805
Total curr. assets	4,595,403	2,986,680
Life ins., c.s.v.	3,060	2,880
Misc. assets▲	195,621	176,814
Inv. in affil. co.	73,800	73,800
Fixed assets*	2,641,512	2,488,368
Total assets	7,509,396	5,728,542
Total curr. liab.	1,621,768	1,104,050
Funded debt	......	796,600
Min. int. in subs.	201,550	235,326
Capital stock	2,700,000	1,200,000
Capital surplus	10,000	9,458
Earned surplus▲	2,976,078	2,383,108
*After depr. of	2,563,374	2,360,428
▲Incl. ref. EPT	124,410	124,410
Working capital	2,973,635	1,882,630

CROWN-DOMINION OIL CO. 1947 net profit was $80,990 ($46,997 in 1946). Sales in terms of unit volume were greater by 20% than in 1946 despite the fact that many products are in comparatively short supply. Construction costs having continued to rise throughout the year, it was felt that a further postponement of the company's expansion program was essential. Five new retail outlets were completed during the year, however. An amount of $162,000 was expended on capital account.

ST. LAWRENCE CORP. shares, admitted to trading on the Montreal Stock Exchange on a "when as and if issued" basis on Jan. 2, were taken from the list on April 13. Issues include both first and second preferred shares provided for under the plan of reorganization. All transactions have been cancelled which were traded on a "when as and if issued" basis.

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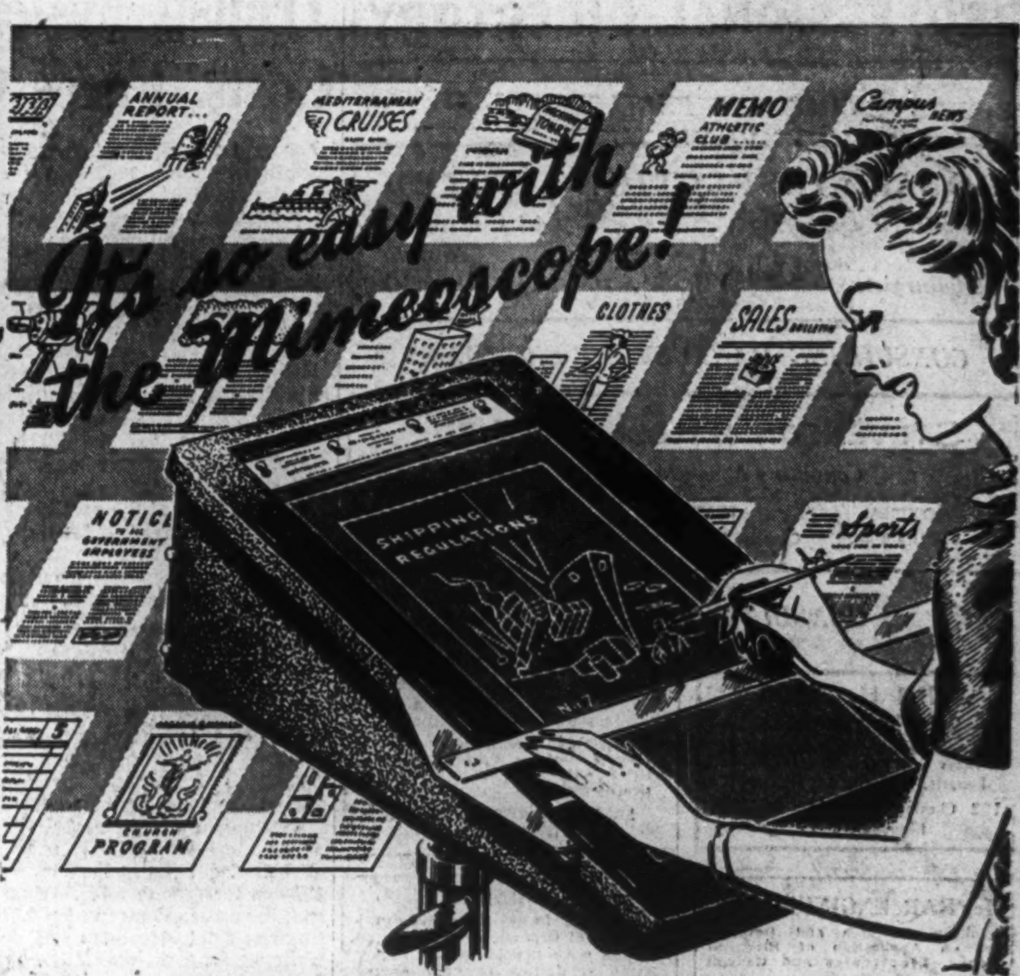

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